



SEVEN HILLS BEVERAGES LIMITED

CIN: U15500MH2009PLC296411

Our Company was incorporated as Seven Hills Beverages Private Limited on December 11, 2009 under Companies Act 1956 with Registrar of Companies, Pune. The status of our Company was changed to public limited and the name of our Company was changed to Seven Hills Beverages Limited vide Special Resolution dated April 10, 2017. The fresh certificate of incorporation consequent to conversion was issued on May 26, 2017 by the Registrar of Companies, Pune. For further details pertaining to the change of name of our Company and the change in Registered Office, please refer the chapter "History and Certain Corporate Matters" on page no. 96 of this Prospectus.

Registered Office: Gat No. 206, Khatwad Phata, Vill-Pimpalnere, Tal. Dindori, Nashik - 422 004

Corporate Office: 302 Divine Tej, Thatte Nagar, College Road, Nashik- 422 005

Tele Fax No.: +91 – 253 – 231 5305; **Email:** info@sevenhillsbeverages.in; **Website:** www.sevenhillsbeverages.in

Contact Person: Mr. Rohit Kasat, Company Secretary and Compliance Officer.

Our Promoters: Mr. Sandeep Palwe, Mr. Nayan Palwe and Mrs. Charushila Lathi

THE ISSUE

PUBLIC ISSUE OF 16,00,000 EQUITY SHARES OF ₹ 10 EACH ("EQUITY SHARES") OF SEVEN HILLS BEVERAGES LIMITED ("SHBL" OR THE "COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹ 26 PER SHARE (THE "ISSUE PRICE"), AGGREGATING TO ₹ 416.00 LAKHS ("THE ISSUE") OF WHICH 88,000 EQUITY SHARES OF ₹ 10 EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 15,12,000 EQUITY SHARES OF ₹ 10 EACH IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 30.02% AND 28.37%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.

THE FACE VALUE OF THE EQUITY SHARE IS ₹ 10 AND THE ISSUE PRICE IS 2.60 TIMES OF THE FACE VALUE

THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER XB OF THE SEBI (ICDR) REGULATIONS, 2009 AS AMENDED.

For further details see "Issue Related Information" beginning on page no. 183 of this Prospectus.

In terms of the 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 details in this regard, specific attention is invited to "Issue Procedure" on page no. 190 of this Prospectus. A copy will be delivered for registration to the Registrar of Companies as required under Section 26 of the Companies Act, 2013.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of the Issuer, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 each and the Issue Price is 2.60 times the face value. The Issue Price (determined and justified by our Company in consultation with the Lead Manager as stated under "Basis for Issue Price" beginning on page no. 63) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the 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 the 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 in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Prospectus. Specific attention of the investors is invited to "Risk Factors" beginning on page no. 10 of this Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to the Issuer and the Issue, which is material in the context of the 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 the Prospectus are proposed to be listed on Emerge Platform of National Stock Exchange of India Limited in terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. Our Company has received an In Principal Approval letter dated July 19, 2017 from National Stock Exchange of India Limited for using its name in this offer document for listing our shares on the SME Platform of National Stock Exchange of India Limited. For the purpose of this Issue, the designated Stock Exchange will be the National Stock Exchange of India Limited ("NSE")

LEAD MANAGER TO THE ISSUE



ARYAMAN FINANCIAL SERVICES LIMITED

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

Tel No.: +91 – 22 – 6216 6999

Fax No.: +91 – 22 – 2263 0434

Email: ipo@afsl.co.in

Website: www.afsl.co.in

Investor Grievance Email: feedback@afsl.co.in

Contact Person: Mr. Vimal Maniyar/ Ms. Hiral Motani

SEBI Registration No. INM000011344

REGISTRAR TO THE ISSUE



BIGSHARE SERVICES PRIVATE LIMITED

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis,
Makwana Road, Marol, Andheri East, Mumbai – 400 059

Tel: +91 – 22 – 6263 8200

Fax: +91 – 22 – 6263 8299

Email: ipo@bigshareonline.com;

Website: www.bigshareonline.com

Investor Grievance Email: investor@bigshareonline.com;

Contact Person: Mr. Jibu John

SEBI Registration No.: INR000001385

ISSUE OPENS ON

AUGUST 18, 2017

ISSUE CLOSES ON

AUGUST 23, 2017

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

General Terms

Term	Description
Seven Hills Beverages Ltd / SHBL / The Company / Company / We / Us / Our Company	Unless the context otherwise indicates or implies refers to Seven Hills Beverages Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 with its registered office in the Nashik, Maharashtra.
Promoter(s)	The Promoters of our Company: <ul style="list-style-type: none"> • Mr. Sandeep Palwe • Mr. Nayan Palwe • Mrs. Charushila Lathi
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1)(zb) of the SEBI ICDR Regulations as disclosed in the Chapter titled “Our Promoter, Promoter Group” on page no. 111 of this Prospectus.
Subsidiaries	<ul style="list-style-type: none"> • Palwe Pest Control Private Limited.
Group Companies	<ul style="list-style-type: none"> • Galactico Corporate Service Private Limited

Company related Terms

Term	Description
Articles / Articles of Association	Unless the context otherwise requires, refers to the Articles of Association of Seven Hills Beverages Limited.
Auditor of the Company (Statutory Auditor)	M/s. Ketan K. Kabra and Associates, Chartered Accountants, having their office at C/o Tirupati Provision, Near Omkareshwar Temple, Jalgaon – 425 001.
Audit Committee	The Audit Committee constituted by our Board of Directors on May 31, 2017
Board of Directors / Board	The Board of Directors of Seven Hills Beverages Limited, including all duly constituted Committees thereof.
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification.
Companies Act, 1956	The Companies Act, 1956, as amended from time to time
Companies Act, 2013	The Companies Act, 2013 published on August 29, 2013 and applicable to the extent notified by MCA till date.
Company Secretary and Compliance Officer	Mr. Rohit Kasat
Depositories Act	The Depositories Act, 1996, as amended from time to time
Director(s)	Director(s) of Seven Hills Beverages Limited, unless otherwise specified
Equity Shares	Equity Shares of our Company of Face Value of ₹ 10 each unless otherwise specified in the context thereof
Equity Shareholders	Persons holding Equity Share of our Company
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
MOA / Memorandum of Association	Memorandum of Association of Seven Hills Beverages Limited
Non Residents	A person resident outside India, as defined under FEMA.
NRIs / Non Resident Indians	A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Peer Review Auditor (Peer Review Certified)	M/s. Bhuta Shah & Co LLP., Chartered Accountants, having their office at 901/902, Regent Chambers, Nariman Point, Mumbai- 400 021.

Term	Description
Person or 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.
Registered Office	The Registered Office of our Company which is located at: Gat No. 206, Khatwad Phata, Vill - Pimpalner, Tal. Dindori, Nashik - 422 004
RoC	Registrar Of Companies, Mumbai situated at Everest, 100, Marine Drive, Mumbai – 400 002.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
Stock Exchange	Unless the context requires otherwise, refers to, the SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE.

Issue Related Terms

Term	Description
Allotment	Issue an allotment of Equity Shares of our Company pursuant to the Issue of Equity Shares to the successful applicants
Allottees	The successful applicant to whom the Equity Shares are being / have been allotted.
Allotment Advice	Note, advice or intimation of Allotment sent to the Applicants who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Prospectus
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of the Company
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by an Applicant to make an Application authorizing an SCSB to block the Application Amount in the specified Bank Account maintained with such SCSB. ASBA is mandatory for all category of investors (except Anchor Investors) participating in the Issue.
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by the Applicants for blocking the Application Amount mentioned in the ASBA Form.
ASBA Applicant(s)	Any prospective investor who makes an Application pursuant to the terms of the Prospectus / Prospectus and the Application Form.
Banker(s) to the Company	Such banks which are disclosed as Bankers to our Company in the chapter titled “General Information” on page no. 39 of this Prospectus
Banker(s) to the Issue	The banks which are Clearing Members and registered with SEBI as Banker to an Issue with whom the Escrow Agreement is entered and in this case being Axis Bank Limited.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue and which is described in the chapter titled “Issue Procedure” beginning on page no. 190 of this Prospectus.
Business Day	Monday to Friday (except public holidays)
Category III FPI	Investors including endowments, charitable societies, charitable trusts, foundations, corporate bodies, trust, individuals and family offices which are not eligible for registration under Category I and II under the SEBI (Foreign Portfolio Investors) Regulations, 2014.
CAN / Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Controlling Branches	Such Branches of the SCSBs which co-ordinate Applications by the Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.

Term	Description
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account details.
Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 i.e. CDSL and NSDL
Designated Intermediaries / Collecting Agent	Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Application Forms from the Applicants, in relation to the Issue
Designated Branches SCSB	Such Branches of the SCSBs which shall collect the Application Forms used by the Applicants applying through the ASBA process and a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf
Designated Date	The date on which the funds blocked by the SCSBs are transferred from the ASBA Accounts specified by the Applicants to the Public Issue Account.
Designated Market Maker	Aryaman Capital Markets Limited (formerly known as Aryaman Broking Limited) will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations
Designated Locations CDP	Such locations of the CDPs where Applicants can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange
Designated Locations RTA	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange
Designated Exchange Stock	SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE
Eligible NRIs	An NRI from such a jurisdiction outside India where it is not unlawful to make an Issue or invitation under this Issue and in relation to whom Application Form and the Prospectus will constitutes an invitation to purchase the Equity Shares.
Equity Shares	Equity shares of our Company of ₹ 10 each
Escrow Agreement	Agreement dated July 25, 2017 entered into amongst the Company, Lead Manager, the Registrar and the Banker to the Issue to receive monies from the Applicants through the SCSBs Bank Account on the Designated Date in the Public Issue Account.
Foreign Portfolio Investor / FPIs	Foreign Portfolio Investor as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014.
Issue Proceed	The proceeds of the Issue as stipulated by the Company. For further information about use of the Issue Proceeds please see the chapter titled “ <i>Objects of the Issue</i> ” beginning on page no. 57 of this Prospectus
Issue Size / Public Issue/ IPO	This Initial Public Issue of 16,00,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 26 per equity share (including a share premium of ₹ 16 per equity share) aggregating to ₹ 416.00 lakhs by our Company.
Issue Closing date	The date on which the Issue closes for subscription being August 23, 2017
Issue Opening date	The date on which the Issue opens for subscription being August 18, 2017
Issue Price	The price at which the Equity Shares are being Issued by our Company under this Prospectus being ₹ 26.
LM / Lead Manager	Lead Manager to the Issue, in this case being Aryaman Financial Services Limited.
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our company and SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE.
Market Maker	Market Maker appointed by our Company from time to time, in this case being Aryaman Capital Markets Limited, who has agreed to receive or deliver the specified securities in the market making process.
Market Maker	The Reserved portion of 88,000 Equity shares of ₹ 10 each at an Issue Price of ₹ 26

Term	Description
Reservation Portion	(including share premium of ₹ 16) per Equity Share aggregating to ₹ 22.88 lakhs for Designated Market Maker in the Public Issue of our Company.
Market Making Agreement	The Agreement among the Market Maker, the Lead Manager and our Company dated June 01, 2017
Mutual Fund	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Non-Institutional Applicant	All Applicants, including Eligible QFIs, sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals, that are not QIBs or Retail Individual Applicants and who have applied for Equity Shares for an amount of more than ₹ 2,00,000 (but not including NRIs other than Eligible NRIs)
Net Issue	The Issue of 15,12,000 Equity Shares of ₹ 10 each at ₹ 26 (including share premium of ₹ 16) per Equity Share aggregating to ₹ 393.12 lakhs by our Company.
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI
NSE Emerge Platform	SME Platform of NSE, approved by SEBI as an SME Exchange for listing of equity shares Offered under Chapter XB of the SEBI ICDR Regulations.
Proforma Financial Statements	The consolidated proforma financial information of our Company comprising the consolidated proforma balance sheet as at March 31, 2017 and the consolidated proforma statement of profit and loss for the Fiscal ended March 31, 2017, read with the notes thereto, has been prepared in accordance with the requirements of paragraph 23 of item (IX)(B) of Schedule VIII of the SEBI ICDR Regulations prepared to reflect, the impact of a material acquisition, i.e. of Palwe Pest Private Limited by our Company. This materiality has been determined based upon unconsolidated financial statements of our Company
Prospectus	The Prospectus, filed with the RoC containing, inter alia, the Issue opening and closing dates and other information.
Public Issue Account	Account opened with Banker(s) to the Issue for the purpose of transfer of monies from the SCSBs from the ASBA bank accounts on the Designated Date.
Qualified Foreign Investors / QFIs	Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet 'know your client' requirements prescribed by SEBI
Qualified Institutional Buyers / QIBs	Public financial institutions as defined in Section 2(72) of the Companies Act, 2013, Foreign Portfolio Investor other than Category III Foreign Portfolio Investor, AIFs, VCFs, FVCIs, Mutual Funds, multilateral and bilateral financial institutions, scheduled commercial banks, state industrial development corporations, insurance companies registered with the IRDA, provident funds and pension funds with a minimum corpus of ₹ 250 million, insurance funds set up and managed by the army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, Government of India, eligible for Bidding and does not include FVCIs and multilateral and bilateral institutions.
Registrar/ Registrar to the Issue	Registrar to the Issue being Bigshare Services Private Limited
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000
SEBI (FPI) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
SEBI Regulation / SEBI (ICDR) Regulations / Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI on August 26, 2009, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI (PFUTP) Regulations / PFUTP Regulations	SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003.
SEBI SAST / SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended.
Self Certified Syndicate Bank(s) / SCSBs	A Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and Issues the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at http://www.sebi.gov.in/pmd/scsb.pdf
TRS / Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application.
Underwriters	Aryaman Financial Services Limited and Aryaman Capital Markets Limited.

Term	Description
Underwriting Agreement	The Agreement among the Underwriters and our Company dated June 01, 2017
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Working Day	All trading days of the Stock Exchange excluding Sundays and Bank holidays in Mumbai.

Technical / Industry related Terms

Term	Description
BBBS	Bed Bug Buster Service
Bisleri	Bisleri International Pvt. Ltd
Bn	Billion
BSI	British Standards Institution
CAGR	Compounded Annual Growth Rate
CPI	Consumer Price Index
EMDE	Electronic Medical Data Exchange
FSSI	Food Safety and Standards Authority of India
GDP	Gross Domestic Product
GRCS	Getting Rid of Cockroaches Service
GST	Good and Service Tax
GVA	Gross Value Added
ICD's	Inland Container Depots
IFMS	Intelligent Fly Management Service
IMF	International Monetary Fund
IPCA	Indian Pest Control Association
IS	Indian Standards
ISO	The International Organization for Standardization
Kms	Kilometers
KW	KiloWatt
Ltr	Liters
MCF	Micron Cartridge Filters
Mcum	Million Cubic Meters
MMRC	Menace Manager Rodents Control
MMS	Mosquito Management Service
MRP	Maximum Retail Price
p.a	Per Annum
PFA	Prevention of Food Adulteration
pH	Potential of Hydrogen
PPCPL	Palwe Pest Control Private Limited.
Q1/ 2/ 3/ 4	Quarter 1/ 2/ 3/ 4
Q-o-Q	Quarter on Quarter
RBI	Reserve Bank of India
RO	Reverse Osmosis
TMR	Transparency Market Research
TTC	Terminator Termites Control
UK	United Kingdom
U.S.	United States of America
UV	Ultraviolet
WEO	World Economic Outlook
WSS	Woods Saver Service
Y-o-Y	Year Over Year

Conventional Terms / General Terms / Abbreviations

Term	Description
A/c	Account
ACS	Associate Company Secretary

Term	Description
AEs	Advanced Economies
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
CAD	Current Account Deficit
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIN	Company Identification Number
CIT	Commissioner of Income Tax
DIN	Director Identification Number
DP	Depository Participant
ECS	Electronic Clearing System
EOGM	Extraordinary General Meeting
EMDEs	Emerging Market and Developing Economies
EPS	Earnings Per Share
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
FIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
GDP	Gross Domestic Product
GoI/Government	Government of India
HUF	Hindu Undivided Family
I.T. Act	Income Tax Act, 1961, as amended from time to time
ICSI	Institute of Company Secretaries Of India
IPO	Initial Public Offering
KM / Km / km	Kilo Meter
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value
NRE Account	Non Resident External Account
NRIs	Non Resident Indians
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Bodies
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PLR	Prime Lending Rate
RBI	The Reserve Bank of India
ROE	Return on Equity
RONW	Return on Net Worth

Term	Description
Rs. or M	Rupees, the official currency of the Republic of India
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI (LODR) Regulations, 2015 / SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified on September 2, 2015
Sec.	Section
Securities Act	U.S. Securities Act of 1933, as amended
STT	Securities Transaction Tax
TIN	Taxpayers Identification Number
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.

CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

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

Financial Data

Unless stated otherwise, the financial data in this Prospectus is derived from our audited financial statements as on and for the Fiscal Years ended March 31, 2017, 2016, 2015, 2014 and 2013 prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations and included in this Prospectus. Our Fiscal Year commences on April 1 and ends on March 31 of the following year. In this Prospectus, any discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

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

Any percentage amounts, as set forth in the section titled “*Risk Factors*”, chapters titled “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page nos 10, 75 and 151 of this Prospectus, respectively, and elsewhere in this Prospectus, unless otherwise indicated, have been calculated on the basis of our audited financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations.

Currency, Units of Presentation and Exchange Rates

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

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

Definitions

For definitions, please see the Chapter titled “*Definitions and Abbreviations*” on page no. 1 of this Prospectus. In the Section titled “*Main Provisions of Articles of Association*” beginning on page no. 237 of this Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

Industry and Market Data

Unless stated otherwise, the industry and market data and forecasts used throughout this Prospectus has been obtained from industry sources as well as Government Publications. Industry sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Further, the extent to which the industry and market data presented in this Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

FORWARD-LOOKING STATEMENTS

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

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

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

- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Our ability to successfully implement our growth strategy and expansion plans;
- Our failure to keep pace with rapid changes in technology;
- Our ability to meet our further capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Conflict of Interest with affiliated companies, the promoter group and other related parties
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in government policies and regulatory actions that apply to or affect our business.
- The performance of the financial markets in India and globally;
- The occurrence of natural disasters or calamities;
- Inability to adequately protect our trademarks;
- Changes in consumer demand.

For further discussions of factors that could cause our actual results to differ, please see the section titled “*Risk Factors*”, chapters titled “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page nos. 10, 75 and 151 of this Prospectus, respectively.

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

SECTION II: RISK FACTORS

An investment in Equity Shares involves a high degree of financial risk. You should carefully consider all information in this Prospectus, including the risks described below, before making an investment in our Equity Shares. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, as well as the other risks and uncertainties discussed in this Prospectus, could have a material adverse effect on our business and could cause the trading price of our Equity Shares to decline and you may lose all or part of your investment. In addition, the risks set out in this Prospectus are not exhaustive. Additional risks and uncertainties, whether known or unknown, may in the future have material adverse effect on our business, financial condition and results of operations, or which we currently deem immaterial, may arise or become material in the future. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with the sections entitled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations on page nos. 75 and 151 of this Prospectus respectively as well as other financial and statistical information contained in this Prospectus. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein.

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

Materiality

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

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

INTERNAL RISK FACTORS

- 1. Termination or non-renewal of the Trade Mark User’s Agreement with Bisleri International Pvt. Ltd. could materially and adversely affect our ability to continue our business and operations and our future financial performance.***

Pursuant to our arrangements with Bisleri International Pvt. Ltd., Our Company has been permitted to use the trademark “BISLERI” for our product “Packaged Drinking Water” with varied size of 250 ml, 500 ml, 1 Ltr, 2 Ltr Bottles and 20 Ltr. Jars. Our Company has entered into an agreement with Bisleri International Pvt. Ltd. for a period of seven years. The Bisleri’s “Trade Mark User’s Agreement” was valid upto 9th March, 2017; and thereafter its terms may be extended for such further period as may be agreed between the parties in writing. Our company has begun the process of renewal of this agreement and has received email correspondence from respective department of Bisleri stating that the renewed agreement is under process. Further we have been regularly supplying goods as well as receiving their payments till date based on this email as well as other oral confirmations; however; we are yet to complete the renewal process in writing.

Under the Agreement, either party shall have a right to terminate the agreement by giving one month’s notice in writing without assigning any reason. Our Company will not be paid any damage or compensation for the termination of the agreement. In the event that Bisleri International Pvt. Ltd. exercises their right to terminate these agreements whether on the occurrence of any such aforesaid events or otherwise, or, on expiry of the term of such agreements, or in the event Bisleri International Pvt. Ltd. is unwilling to renew such agreements or imposes terms less favourable than the existing terms, it may materially and adversely affect our ability to carry on our business operations and our future financial performance.

2. ***Bisleri International Pvt. Ltd. is entitled to various rights under the Agreement, including the right to unilaterally determine the price of the raw materials that our company purchases, since the raw materials are to be purchased from the vendors authorized by Bisleri. In the event any such right, if exercised by Bisleri International Pvt. Ltd. in a manner adverse to our business interest, our business prospects and future financial performance will be materially and adversely affected.***

The cost of raw materials like performs; jars etc are purchased from the vendors authorized by Bisleri International Pvt. Ltd., which constitutes our most significant raw material expense. Our arrangements with Bisleri International Pvt. Ltd. stipulate that Bisleri International Pvt. Ltd. will be entitled to set terms and conditions related to our purchase of raw materials from their authorised suppliers including the price. So far over our experience of over 5 years; raw material process have not varied much and have never become a issue of profitability for us; but there can be no assurance that the constant pricing model will continue in the future. In addition, the price of our products to be bought by Bisleri are also fixed in our commercial terms and conditions and hence any substantial changes in raw material prices or other such input costs could materially affect our profitability.

Further the commercial terms and conditions agreed between our company and Bisleri; allows them certain rights to impose penalties for qualitative errors or shortcomings of our company such as loss in production due to breakdowns or production/ quality defects etc. Also, there are various stipulations on maintaining right inventory levels, cleanliness in transportation etc. and any such penal charge or additional debit by our client – Bisleri would materially affect our financial performance and results of operations.

3. ***Underutilization of capacity of our Existing Manufacturing Facilities may adversely affect our business, results of operations and financial condition.***

The capacities at our unit have not been fully utilized, the details of which are as follows:

Bottles manufactured	For the Financial Year		
	2016-17	2015-16	2014-15
Installed Capacity (Boxes/ p.a)	32,85,000	32,85,000	26,28,000
Actual Production (Boxes/ p.a)	12,25,000	11,70,000	11,00,000
Utilised Capacity (%)	37.29%	35.62%	41.86%

Currently our products are mainly available in Nashik City, Shirdi and Aurangabad. However; since we have adequate installed capacities we propose to increase our product reach to other nearby districts such as Ahmednagar, Jalgaon and Dhule based on our estimates of market demand and profitability. In the event of non-materialization of our estimates and expected order flow for our existing and / or future products and/or failure of optimum utilization of our capacities, due to factors including adverse economic scenario, change in demand or for any other reason, our capacities may not be fully utilized thereby impairing our ability to fully absorb our fixed cost and may adversely impact our consolidated financial performance

4. ***Our Company depends heavily on our sole customer for our revenue. The loss of our only customer or significant reduction in production, or demand for our products may adversely affect our business, financial condition, results of operations and prospects.***

Our income from operations is generated from the sales of packaged drinking water to our sole customer Bisleri International Pvt. Ltd. Our Company depends on Bisleri International Pvt. Ltd. for our revenues. Demand for our products is related to our customer's requirements which are further related to factors such as demand in the market. The loss of our sole customer or significant reduction in production, or demand for our products in the market may adversely affect our business, financial condition, results of operations and prospects.

5. ***Our Company incurred losses in Fiscal 2016 and Fiscal 2015 and, we may incur losses in the future.***

Our Company incurred losses of ₹ 13.91 lakhs and ₹ 11.29 lakhs in Fiscal 2016 and Fiscal 2015, respectively; whereas in Fiscal 2017, our Company has earned profits. Any such losses that we may incur in the future will adversely affect our results of operations and financial condition.

The following table sets forth information on profit/ loss of our Company as per the audited standalone financial statements of the respective entities in the periods specified below:

(₹ in lakhs)

Particulars	For the Fiscal		
	2017	2016	2015
Seven Hills Beverages Limited	137.09	(13.91)	(11.29)

6. We have not made any provisions for decline in value of our Investments

As on March 31, 2017, we hold investments in Unquoted Equity Instruments aggregating to ₹ 126.00 lakhs as per Restated Financial Statements. We have not made any provision for the decline in value of these investments and hence as and when these investments are liquidated, we may book losses based on the actual value we can recover for these investments and if lower than the cost, the same could adversely affect our results of operations.

Further, during FY 2017- 18, we have increased our investment in Unquoted Equity Share and thereby making it our subsidiary company as on date of this Prospectus.

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

Our Company had reported certain negative cash flows from various activities in the previous years as per the restated financial statements and the same are summarized as under:

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2017	2016	2015	2014	2013
Cash flow from Operating Activities	251.94	91.12	18.69	(67.02)	115.95
Cash flow from Investing Activities	(167.16)	(136.62)	(2.44)	(0.29)	(6.02)
Cash flow from Financing Activities	(55.08)	58.49	(45.58)	71.43	(97.03)

For details, see the section titled – “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” at page no. 151 of this Prospectus.

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

8. We have issued Equity Shares during the last year at a price lower than the Issue Price.

We have issued certain Equity Shares in the last twelve months, at a price that may be lower than the Issue price. The details of such issuances are given in the table below:

Date of Allotment	Name of the Allottees	Number of Shares	Face Value (₹)	Issue Price (₹)
January 02, 2017	Mr. Sandeep Palwe	7,21,160	10	10
	Mr. Nayan Palwe	2,88,840		
February 04, 2017	Mr. Sandeep Palwe	20,490	10	10
	Mr. Vipul Lathi	5,86,010		
	Galactico Corporate Services Private Limited ⁽¹⁾	4,03,500		

⁽¹⁾ Galactico Corporate Services Private Limited was formally known as Amigos Trading and Commerce Private Limited.

For further details of equity shares issued, please refer section titled “Capital Structure” beginning on page no. 47 of this Prospectus.

9. Our audit report for the financial year 2016-17 contains an emphasis of matter paragraph.

The audit report of our Company for the financial year ended 2016-17, contains an emphasis of matter paragraph regarding our failure to ascertain and provided for the Employees Provident fund for five years starting from F.Y 2012-13 up to F.Y 2016-17. We intend to ascertain the said liability and pay-off the same in the financial year

2017-18. However if we are unable to ascertain such liability or pay-off the same at the earliest, we would be subject to higher penalty and interest for the delay which shall have an impact on our cash flows.

10. *In past, Our Company was not registered under the Factories Act.*

Our Company had not made an application for the registrations required under the Factories Act, 1948 (“Factories Act”) in the past. But in F.Y. 16-17 the company made an application and has received the Certificate for the same in May 24, 2017. However, we had commenced manufacturing process in our factory in the year 2011. The non-registration of the Factory in the past, under the Factories Act, may have an adverse impact on our Financials, in case of any proceedings carried out against the non-registration.

Further in case of renewal of the Factory License, there can be no assurance that the relevant authorities will issue any or all requisite license in the time frame anticipated by us. Non-renewal of the license would adversely affect our Company’s operations, manufacturing activities etc. thereby having a material adverse effect on our business, results of operations and financial condition. For further details, please refer to the chapters titled “*Key Regulations and Policies*” and “*Government and Other Key Approvals*” beginning on page nos. 87 and 168, respectively, of this Prospectus

11. *Scarcity of water could negatively impact our costs and production capacity.*

Water is one of the primary raw materials used in the production of our product, and our business operations are vastly dependent on our ability to procure sufficient amounts of quality water at commercially viable prices. Supply of water is an indispensable requirement for our manufacturing process as we require raw water for processing the same and making it viable for human consumption. Water is a limited resource, facing unprecedented challenges from overexploitation, increasing demand for food and other consumer and industrial products whose manufacturing processes require water, increasing pollution and poor management. Further, supply of water can also be significantly influenced by changing environmental conditions leading to drying water resources and receding ground water levels. Water scarcity or deterioration in the quality of available water sources in our territories, or our supply chain, even if temporary, may result in increased production costs or capacity constraints, which could adversely affect our ability to produce at the constant cost.

12. *Seasonality affects our operations and business.*

We are engaged in the business of manufacturing packaged drinking water for Bisleri International Pvt. Ltd. We operate as “Co-packers” for “Bisleri” wherein we manufacture the bottles at our plant in order to avoid any possible contaminations and carry out the filling of purified water as well as final sealing and packaging. The water consumption pattern changes with changes in seasons, i.e. during the summers the consumption of water may be higher as compared to the consumption during the monsoons and winter. Due to such varying consumption patterns our revenue would be higher during the summers, when compared with the revenue during monsoons and winter. Thus due to our business operations being subject to seasonality, our quarterly or six monthly results may not be fully comparable to that extent.

13. *Our growth plans and expansion strategies are subject to prior approval of Bisleri International Pvt. Ltd., and an inability to secure such approval may adversely affect our business prospects and future financial performance.*

In addition to increasing our Sales volume, we continue to evaluate acquisition of additional production facilities as well as additional licensed territories and sub-territories. We also intend to extend our existing areas for supplying Packaged Drinking Water. Under the agreement with Bisleri International Pvt. Ltd., any such acquisition will require prior approval from Bisleri International Pvt. Ltd.

Our growth plans and expansion strategies are therefore subject to the approval of Bisleri International Pvt. Ltd., and if Bisleri International Pvt. Ltd. were to deny such approval for any reason, it could adversely affect our business, prospects, results of operations and financial condition.

14. *Failure to obtain and retain approvals and licences or changes in applicable regulations or their implementation could have an adverse effect on our business.*

We require certain statutory and regulatory permits and approvals to operate our existing and proposed business. For more information on the status of our material statutory and regulatory permits, please refer to the Chapter

titled —*Government and Other Key Approvals* beginning on page no. 168 of this Prospectus. We are required to renew certain permits and approvals and obtain new permits if we increase the scope of our business. Following regulatory approvals have not been received and/ or application has to make as of the date of this Prospectus:

A. Approvals for which application has been made:

- a. Vide Application bearing no. MPCB-CONSENT-0000025190, the Company has made an application for Consent to Establish (Expansion) under the Water (Prevention & Control of Pollution) Act, 1974, the Air (Prevention & Control of Pollution) Act, 1981 and Authorization under the Hazardous Wastes (Management and Handling) Rules, 1989.

B. Approvals for which the Company is under process of making application:

- a. The Company is in process of making an application for renewal bearing no. RON/NASHIK/CEN-522/922 of Consent to Operate under the Water (Prevention & Control of Pollution) Act, 1974, the Air (Prevention & Control of Pollution) Act, 1981 and Authorization under the Hazardous Wastes (Management, Handling & Transboundary Movement) Rules, 2008.

In addition to the above, there are certain approvals and licenses which need to be renewed by us due to our change in constitution from Private to Public Limited. While we believe that we will be able to renew or obtain the required permits and approvals as and when required; here can be no assurance that the relevant authorities will issue any or all requisite permits or approvals in the timeframe anticipated by us, or at all. Failure by us to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations or delay or prevent our expansion plans, if any and may have a material adverse effect on our business, financial condition and results of operations.

15. *An interruption in the supply or significant increase in the price of raw materials or packaging materials may adversely affect our business, prospects, results of operations and financial condition.*

Our inability to maintain efficient inventory management and stock of raw materials at optimum levels may affect our operations. The availability and price of raw materials, particularly PET Performs from the authorized suppliers by Bisleri International Pvt. Ltd. as well as the availability and price of packaging materials, in particular cartons, caps and labels may also impact our operations. The price of such raw materials and packaging materials may be affected by changes in global supply and demand, weather conditions, governmental policies, exchange rates and other macroeconomic factors. A prolonged interruption in the supply of raw materials or packaging materials may require us to identify alternative suppliers that are acceptable to Bisleri International Pvt. Ltd., which could require us to pay significantly higher prices for such raw materials. In the event of a significant increase in the price of such raw materials and packaging materials, it will increase our cost of production and other operating costs and decrease our profitability in the event.

Our Company typically does not enter into long term supply contracts with any of the raw material suppliers, but usually place orders in advance of the anticipated requirements at agreed prices. In the absence of long term supply contracts, our Company is susceptible to a sudden and significant increase in prices of raw materials and packaging materials. We are required to procure raw materials and packaging materials supplies only from suppliers that meet the standards specified by Bisleri International Pvt. Ltd.

Our Company is not in a position to select or obtain supply of raw material and packaging materials from the most cost effective suppliers unless they are pre-approved by Bisleri International Pvt. Ltd. There can be no assurance that there will not be any seasonal factors, or a significant and prolonged interruption or a shortage in the supply of our critical raw materials and packaging materials. Such interruptions or shortages in supply of requisite standard raw materials and packaging materials may prevent us from operating our production facilities at optimal capacity, and if such shortage is severe, may lead to the suspension of production. In particular, a significant majority of our production activities takes place during the pre-summer and summer months when sales of Bisleri International Pvt. Ltd. products are maximum, and any shortage of raw materials or packaging materials during such periods may materially and adversely affect our production, sales and results of operations in such year.

16. Any contamination of packaged drinking water could result in legal liability, damage our reputation and adversely affect our business prospects and financial performance.

The actual or alleged contamination or deterioration of our product “Packaged Drinking Water” produced under the brand name “Bisleri International Pvt. Ltd.” could result in legal liability, damage our reputation and adversely affect our business prospects and consequently our financial performance. The risk of contamination or deterioration exists at each stage of the production cycle, including during the production and delivery of raw materials, the bottling, storage and delivery to our customers and the storage and shelving of the final product until final consumption by consumers. While we follow stringent quality control processes and quality standards specified by Bisleri International Pvt. Ltd. and our production facilities and operations are regularly monitored by Bisleri International Pvt. Ltd., there can be no assurance that our products will not be contaminated or suffer deterioration.

If any of our products is found to have been contaminated or to have deteriorated, we could be required to recall the whole batch produced on the mentioned date which is in large quantities, and we could incur certain liability. In addition, any actual or alleged contamination or deterioration of our products or products manufactured by other Bisleri International Pvt. Ltd. bottlers may damage the reputation of Bisleri International Pvt. Ltd. brands, which may materially and adversely affect our business operations, prospects, and financial performance.

Although historically our Company has not experienced any significant product liability claims or similar allegations against us or our products, there can be no assurance that there will not be any such claims or allegations in the future which could materially and adversely affect our business and financial performance or lead to significant liability or other penalties.

In addition, our Company has historically not obtained product liability insurance cover; even if we were to obtain such insurance in the future, there can be no assurance that in the case of any such claim or allegation, such insurance will be adequate to cover any losses. In addition, if Bisleri International Pvt. Ltd. determines that our products do not meet their standards, they may require us to suspend production at the relevant production facilities until appropriate remedial action is undertaken.

17. Our Company is dependent on Bisleri International Pvt. Ltd. for brand promotion and the protection of Bisleri International Pvt. Ltd. trademarks and brands. An inability by Bisleri International Pvt. Ltd. to adequately promote its brands and/ or adequately protect its trademark may result in loss of goodwill and business and ultimately adversely affect our business prospects, results of operations and financial condition.

Our Company has been permitted to use the trademark of Bisleri International Pvt. Ltd. for our products by Bisleri International Pvt. Ltd. Bisleri International Pvt. Ltd. is primarily responsible for the protection of its trademarks and brands, as they are the lawful owner of the Registered Trade Mark. While Bisleri International Pvt. Ltd. undertakes appropriate measures to protect its trademarks and brands against infringement or counterfeiting, in the event of a failure on part of Bisleri International Pvt. Ltd. to effectively do so in the future, it could adversely affect the competitive position of the Bisleri International Pvt. Ltd. brand which could result in a decrease in the volume of products we sell, which in turn may materially and adversely affect our business, prospects, results of operations and financial condition.

In addition, as the owner of the “Bisleri” trademark, Bisleri International Pvt. Ltd. has the primary responsibility for consumer marketing and brand promotion. Currently our Company makes no contribution to the brand marketing costs in India. A decrease in marketing efforts and expenditure by Bisleri International Pvt. Ltd., in its commitment to the quality of the Packaged Drinking Water could lead to decreased consumption, which could have a material adverse effect on our business, results of operations and financial condition.

18. Any loss of business or potential adverse publicity resulting from spurious or imitated bottles, could result in loss of goodwill for Bisleri International Pvt. Ltd. products leading to loss of sales and adversely affecting our business, prospects, results of operations and financial condition.

We are exposed to the risk that entities in India and elsewhere could pass off their products as Bisleri International Pvt. Ltd. packaged drinking water products, including spurious or imitation products. For example, products imitating the Bisleri International Pvt. Ltd. brands and packaging material selling spurious products may adversely affect sale of genuine Bisleri International Pvt. Ltd. products, resulting in a decrease in market share resulting from a decrease in demand for Bisleri International Pvt. Ltd. products. Such imitation or spurious products may not only

result in loss of sales but also adversely affect the reputation of Bisleri International Pvt. Ltd. Packaged Drinking Water, ultimately affecting our production and sales and consequently our future sales and results of operations.

19. *Our Company may not be able to ensure a continuous supply and sales channel for our products, which may adversely affect our business and results of operations.*

As a manufacturing business, our success depends on the continuous supply and transportation of raw materials from our suppliers to our facilities and the transportation of our products from our manufacturing facilities to Bisleri International Pvt. Ltd., which are subject to various uncertainties and risks. Our Company depends on road transportation to receive raw materials from our suppliers to our manufacturing facilities. Our Company relies on third parties to provide such services. Disruptions of road transportation services because of weather-related problems, accidents, strikes and inadequacies in the road infrastructure, or other events could impair our ability to receive raw materials and to supply products to our customers. Any such disruptions could materially and adversely affect our business, financial condition and results of operations

20. *Our Company is dependent on the continuing operation of our production facilities. Any significant interruption in production at our facilities could have a material adverse effect on our business, results of operations and financial condition.*

Our Company manufactures substantially all of the products at our production facility at Nashik, which are subject to the normal risks of industrial production, including equipment breakdowns, labour stoppages, natural disasters, directives from government agencies, water shortages and power interruptions. The quantity of Packaged Drinking Water as required by Bisleri International Pvt. Ltd. is produced at one location itself, and in case of any disruption at such facility, it may adversely affect the production cycle.

All of these production facilities require a significant amount and continuous supply of electricity and water and any shortage or non-availability of electricity and water may adversely affect our operations. The production process of our products, as well as the storage of products at particular temperatures requires significant electricity. We are also required to store our raw materials in a temperature-controlled environment. We currently source our water requirements from Bore wells. Our Company depends on state electricity supply for our energy requirements. For further information, see “Government and Other key Approvals” on page no. 168 of this Prospectus.

Also, our Company does not maintain any alternate generators/ diesel generators to meet exigencies at our facilities. This may affect our operations at our facilities during power failures. Any failure on our part to obtain alternate sources of electricity, in a timely fashion, and at an acceptable cost, may have an adverse effect on our business, results of operations and financial condition.

21. *Change in consumer preferences and other competitive factors, may affect our position in Indian market and may lead to loss of market share, which could adversely affect our business, prospects and future financial performance.*

We operate in a highly competitive market, and hence such increased competition may lead to revenue reductions, reduced profit margins, or a loss of market share and the consumer base, any of which could adversely affect our business and results of operations. Such competition may result in a reduction in the consumption of our products and may reduce the market share of Bisleri products, ultimately affecting our production levels. In addition, the success of our business depends on consumer behaviour and preferences and their affinity and loyalty to “Bisleri” brand products.

Further, we compete with aggressive marketing and promotional activities by other global, regional or local packaged drinking water producers on price and promotional discounts announced from time to time. Other global and regional producers in our markets typically match the pricing of our products. However, if the competition alters their pricing model, and we are unable to change our product prices in response to such competitive measures, there can be diversion of our consumers to other brands.

The brand positioning and sale of our products may be adversely affected on account of various factors which may be beyond our control, which may lead to loss of the market share. In addition, as the owner of the “Bisleri” trademark, Bisleri International Pvt. Ltd. has the primary responsibility for consumer marketing and brand promotion. A decrease in marketing efforts and expenditure by Bisleri International Pvt. Ltd., in its commitment to the quality of the Packaged Drinking Water could lead to decreased consumption. Further the exposure of risk that

entities in India and elsewhere could pass off their products under the brand name of Bisleri, including spurious or imitation products, can lead to major loss of market share and adversely affect the reputation of Bisleri International Pvt. Ltd., ultimately affecting our production and sales and consequently our future sales and results of operations.

There can be no assurance of market behaviour and consumer preference for packaged Drinking water and in addition to that increased competition may result in loss of market share of the consumers, which may have an adverse impact on our business, results of operations, financial condition and future prospects.

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

Modernisation and technology up gradation is essential to reduce costs and increase the output. Our technology and key infrastructure may become obsolete or may not be upgraded timely, hampering our operations and financial conditions and we may not have the competitive edge. Although we strive to keep our technology, equipments and machinery in line with the latest technological standards, we may be required to implement new technology or upgrade the machineries and other equipment's employed by us. Further, the costs in upgrading our technology and modernizing the plant and machineries are significant which could substantially affect our finances and operations. Further we propose to utilise the proceeds from the fresh issue towards working capital and any ad-hoc changes in technology may require capex infusion for which we may need to raise further funds separately. Our ability to ensure timely reactions and adaption to changes in technology requirements could affect our operations and results of operations

23. *Our operations are subject to high capital requirements. Our inability to maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet requirement of capital, could adversely affect our operations.*

Our business requires significant amount of capital. Major Portion of our capital is utilized towards setting up the plant and facilities. Our inability to maintain sufficient cash flow, credit facility and other sourcing of funding, in a timely manner, to meet the requirement of future such capital needs or pay out debts, could adversely affect our financial condition and result of our operations.

24. *Our Company has entered into certain related party transactions in the past and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.*

Our Company has entered into certain transactions with our related parties including our Promoter, the Promoter Group, our Directors, their relatives and Group entities. Amongst others, during the financial year 2015-16 our company has purchased land from its related parties aggregating to ₹ 73.80 lakhs. While we believe that all such transactions have been conducted on the arm's length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties.

Furthermore, it is likely that we may enter into related party transactions in the future. We cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition. For details on our related party transactions, please refer to "Annexure XXIII - Related Party Transactions - Financial Statements" on page no. 137 of this Prospectus.

25. *Our Company is subject to inspections under the Maharashtra Pollution Control Board, Bureau of Indian Standards (BIS) and also by Bisleri International Pvt. Ltd., which may result in imposition of penalty on us.*

Inspection proceedings are undertaken at local levels, by the Maharashtra Pollution Control Board (MPCB), at regular intervals for PET Bottle products that are manufactured and sold by us as Packaged Drinking Water. Our Company is subject to quarterly audits which are conducted by Bisleri International Pvt., for checking the parameters in relation to Raw Materials, Packaged Drinking Water etc as already set by Bisleri International Pvt. Ltd. BIS has formulated IS:14543 (Specification for Packaged Drinking Water) which prescribes the hygienic practices to be followed in respect of collecting water, its treatment, bottling, storage, packaging, transport, distribution and sale for direct consumption, so as to guarantee a safe, hygienic and wholesome product. Our Company is also subject to audits by BIS, for maintaining the above mentioned quality parameters of the final product and hygienic conditions of the factory.

Consequently, we may fail to adhere to the directions of the authorities in a timely manner which may attract penal sanctions affecting our business prospects, results of operations and financial condition.

26. *Our Proforma Financial Statements have not been prepared in accordance with auditing or other standards and practices generally accepted in other jurisdictions.*

Our Proforma Financial Statements are illustrative in nature and have not been prepared in accordance with auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been prepared in accordance with those standards and practices. Accordingly, the degree of reliance placed by investors in other jurisdictions on such pro forma information should be limited. In addition, the rules and regulations related to the preparation of pro forma financial information in other jurisdictions may also vary significantly from the basis of preparation as set out in our notes to the Proforma Financial Statements.

27. *Our Company has incurred substantial indebtedness which exposes us to various risks which may have an adverse effect on our business and results of operations.*

As on March 31, 2017, we have ₹ 148.77 lakhs of outstanding debt on our balance sheet (including current maturities but excluding non-fund based). Our level of indebtedness has important consequences to our Company, such as:

- Increasing our vulnerability to general adverse economic, industry and competitive conditions;
- Limiting our flexibility in planning for, or reacting to, changes in our business and the industry; affecting our credit rating;
- Limiting our ability to borrow more money both now and in the future; and
- Increasing our interest expenditure and adversely affecting our profitability, since almost all of our debt bears interest at floating rates.

If any of these risks were to materialise, our business and results of operations may be adversely affected.

28. *There are various negative covenants in the sanction letters issued to us by our lenders, which could put us at a competitive disadvantage and could have an adverse effect on our business, results of operations and financial condition.*

The sanction letter issued to us contains provisions that restrict our ability to do, among other things, any of the following:

- Changing or alter the Capital Structure of the Company;
- Entering in to borrowing arrangements, with other Banks, Financial Institutions and other parties;
- Taking up any new project or large-scale expansion;
- Making investment in or giving loans to subordinates, associate concerns, individuals and other parties;
- Paying dividend/making withdrawals, other than out of Current year's earnings after making due provisions.

Further the company has created a charge on its assets in favour of their bankers against the assets of the company. In case of default by the company in repayment of the loans, bankers may exercise their rights over the security, which may be detrimental to the interest of the company. For details on the secured loan, please refer to the chapter titled "*Financial Indebtedness*" on page no. 160 of this Prospectus.

Also, we are required to obtain the required consents of the lenders before undertaking certain significant corporate actions. We cannot assure you that the lenders will grant the required approvals in a timely manner, or at all. The time required to secure consents may hinder us from taking advantage of a dynamic market environment.

Additionally, our borrowings are secured by our movable, immovable or tangible assets (whether existing or future), Stock and work-in-progress (whether existing or future) and by a personal guarantee of our Promoter / Promoter Group. Such securities enable the lenders to cancel any outstanding commitments, accelerate the repayment, exercise cross default provisions and enforce their security interests on the occurrence of events of default such as a breach of financial covenants, failure to obtain the proper consents, failure to perfect security as specified and such other covenants that are not cured. It is possible that we may not have sufficient funds upon such an acceleration of our financial obligations to pay the principal amount and interest in full.

If any of these events were to occur, our business, results of operations and financial condition may be adversely affected.

29. *The interests of our Promoters and members of our Promoter Group as substantial shareholders or certain directors may conflict with the best interests of other shareholders. Any inappropriate resolution of such conflicts may adversely affect our business, results of operations and/ or the interests of our other shareholders.*

On the date of this Prospectus, our Promoter and the members of our Promoter Group hold 99.78% of our issued Equity Shares. Following the completion of this Issue, our Promoter and other members of the Promoter Group will continue to hold a significant portion of our issued Equity Shares. For as long as our Promoter and members of our Promoter Group continue to hold a substantial percentage of our Equity Shares, they may influence our policies in a manner that could conflict with the interests of other shareholders.

Our Company is heavily dependent on our executive directors and their expertise for our strategic as well as day to day operations. The Managing Director of our Company, Mr. Sandeep Palwe is involved in the management of our Subsidiary Company– Palwe Pest Control Private Limited. Mr. Sandeep Palwe is also a common director between our Company and our Subsidiary Company– Palwe Pest Control Private Limited. In case of a conflict between us and or any other entity in which our Directors or our Promoter Group members are interested, our Promoters/Directors may favor such other companies over us. Further, there may be situations in which they are unable to allocate sufficient time to our Company or effectively participate in the management of our Company, which could have a material adverse effect on our business. If any such actual or perceived conflicts of interests are not resolved suitably, our business, results of operations and/or the interest of our other shareholders may be adversely affected. For further details, please refer to the chapters titled “Our Management” and “Our Promoters and Promoter Group”, and “Annexure XXIII - Related Party Transactions” beginning on page nos. 100, 111 and 137, respectively of this Prospectus.

30. *In addition to normal remuneration, other benefits and reimbursement of expenses, some of our Directors (including our Promoters) and Key Management Personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.*

Some of our Directors (including our Promoters) and Key Management Personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company, in addition to normal remuneration or benefits and reimbursement of expenses. We cannot assure you that our Directors or our Key Management Personnel would always exercise their rights as Shareholders to the benefit and best interest of our Company. As a result, our Directors will continue to exercise significant control over our Company, including being able to control the composition of our board of directors and determine decisions requiring simple or special majority voting, and our other Shareholders may be unable to affect the outcome of such voting. Our Directors may take or block actions with respect to our business, which may conflict with our best interests or the interests of other minority Shareholders, such as actions with respect to future capital raising or acquisitions. We cannot assure you that our Directors will always act to resolve any conflicts of interest in our favour, thereby adversely affecting our business and results of operations and prospects. For further details, please refer to the chapters titled “Our Management” and “Our Promoters and Promoter Group” and “Annexure XXIII - Related Party Transactions” beginning on page nos. 100, 111 and 137, respectively of this Prospectus.

31. *Our Promoters play a key role in our functioning and we heavily rely on his knowledge and experience in operating our business and therefore, it is critical for our business that our Promoters remain associated with us. Our success also depends upon the services of our key managerial personnel and our ability to attract and retain key managerial personnel and our inability to attract them may affect our operations. Any loss of our Key Managerial Personnel could adversely affect our business, operations and financial condition.*

We benefit from our relationship with our Promoters and our success depends upon the continuing service of our Promoters who have been responsible for the growth of our business and are closely involved in the overall strategy, direction and management of our business. Our Promoters have been actively involved in the day to day operations and the management. Accordingly, our performance is heavily dependent upon the service of our Promoters. If our Promoters are unable or unwilling to continue in their present position, we may not be able to replace them easily or at all.

Further, we rely on the continued services and performance of our key executives and senior management for continued success and smooth functioning of the operations of the Company. If one or more members of our Key Managerial Personnel are unable or unwilling to continue in his/her present position, it may be difficult to find a

replacement, and business might thereby be adversely affected. Our industry requires personnel with specific technical knowledge and experience maintaining the quality and quantity parameters of our product “Packaged Drinking Water” and for our manufacturing process. If our Company loses the services of any of our key managerial personnel, we may be unable to locate suitable or qualified replacements, and may incur additional expenses to recruit and train new personnel, which could adversely affect our business operations and affect our ability to continue to manage and expand our business. For further details on the key managerial personnel of our Company, please refer to the chapter titled “*Our Management*” beginning on page no. 100 of this Prospectus. Moreover, we do not maintain key person insurance to insure against the loss of key personnel.

32. *Our insurance coverage may not adequately protect us against all material hazards, which may adversely affect our business, results of operations and financial condition.*

Our business, assets and stocks could suffer damage from fire, natural calamities, misappropriation or other causes, resulting in losses, which may not be fully compensated by insurance. There can be no assurance that the terms of our insurance policies will be adequate to cover any damage or loss suffered by our Company or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim.

Further, our Company is required to renew these insurance policies from time to time and in the event, we fail to renew the insurance policies within the time period prescribed in the respective insurance policies or not obtain at all, our Company may face significant uninsured losses. If our Company suffers a large uninsured loss or if any insured loss suffered, significantly exceeds our insurance coverage, our business, financial condition and results of operations may be adversely affected.

33. *Our Company’s management will have flexibility in utilizing the Net Proceeds from the Issue. The deployment of the Net Proceeds from the Issue is not subject to any monitoring by any independent agency.*

Our Company intends to primarily use the Net Proceeds towards working capital and for general corporate purposes as described in “*Objects of the Issue*” on page no. 57 of this Prospectus. In terms of Regulation 16 of the SEBI (ICDR) Regulations, we are not required to appoint a monitoring agency since the Issue size is not in excess of ₹ 100 crores. The management of our Company will have discretion to use the Net Proceeds from the Issue, and investors will be relying on the judgment of our Company’s management regarding the application of the Net Proceeds from the Issue. Our Company may have to revise its management estimates from time to time and consequently its requirements may change. Additionally, various risks and uncertainties, including those set forth in this section “*Risk Factors*”, may limit or delay our Company’s efforts to use the Net Proceeds from the Issue to achieve profitable growth in its business.

Further, pursuant to Section 27 of the Companies Act 2013, any variation in the objects would require a special resolution of the Shareholders and our Promoters or controlling Shareholders will be required to provide an exit opportunity to the Shareholders of our Company who do not agree to such proposal to vary the objects, in such manner as may be prescribed in future by the SEBI.

Accordingly, prospective investors in the Issue will need to rely upon our management’s judgment with respect to the use of Net Proceeds. If we are unable to enter into arrangements for utilization of Net proceeds as expected and assumed by us in a timely manner or at all, we may not be able to derive the expected benefits from the proceeds of the Issue and our business and financial results may suffer.

34. *Non-compliance with and changes in, safety, health and environmental laws and other applicable regulations, may adversely affect our Company’s results of operations and its financial condition.*

Our Company is subject to Indian laws and government regulations, including in relation to safety, health and environmental protection. These safety, health and environmental protection laws and regulations *inter alia* impose controls on air and water discharge, noise levels, storage handling, employee exposure to hazardous substances and other aspects of our Company’s operations and products. In addition, our products, including the process of manufacture, storage and distribution of such products, are subject to numerous laws and regulations in relation to quality, safety and health. For instance, the provisions of The Food Safety and Standards Act, 2006 are applicable to us and our products, which sets forth requirements relating to the license and registration of food businesses and general principles for food safety standards, and manufacture, storage and distribution. For further details, please refer “*Key Industry Regulations and Policies*” on page no. 87 of this Prospectus. Failure to comply with any

existing or future regulations applicable to our Company may result in levy of fines, commencement of judicial proceedings and/or third party claims, and may adversely affect our results of operations and financial condition.

Further, there can be no assurance that our Company will not be involved in future litigation or other proceedings or be held responsible in any litigation or proceedings including in relation to safety, health and environmental matters, the costs of which could be material. Any accidents involving hazardous substances can cause personal injury and loss of life, substantial damage to or destruction of property and equipment and could result in a suspension of operations. The loss or shutdown of operations over an extended period at any of our Company's facilities would have a material adverse effect on our Company's business and operations.

35. *Our funding requirements and deployment of the issue proceeds are based on management estimates and have not been independently appraised by any bank or financial institution. Any variation in the utilization of our Net Proceeds as disclosed in this Prospectus would be subject to certain compliance requirements, including prior shareholders' approval.*

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan, management estimates and have not been appraised by any bank, financial institution or any other external agency. Though these estimates have been taken recently, they are subject to change and may result in cost escalation based on our business plan from time to time and consequently our funding requirements and deployment on account of variety of factors such as our financial condition, business and strategy, including external factors such as market conditions, competitive environment, costs of commodities and interest/ exchange rate fluctuations which may not be within the control of our management.

The deployment of the funds towards the objects of the Issue is entirely at the discretion of the Board and our Board will monitor the utilisation of Net Proceeds through its Audit Committee. Further, our Promoter or controlling shareholders would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to change the objects of the Issue, at a price and manner as specified in Chapter VI-A of the SEBI ICDR Regulations pursuant to the SEBI ICDR (Second Amendment) Regulations, 2016 dated February 17, 2016. Additionally, the requirement on Promoter or controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoter or controlling shareholders from agreeing to the variation of the proposed utilisation of our Net Proceeds, even if such variation is in our interest. Further, we cannot assure you that our Promoter or the controlling shareholders will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price which may be prescribed by SEBI.

Our Company will disclose the utilisation of the Net Proceeds under a separate head along with details in its balance sheet until the Net Proceeds remain unutilised, clearly specifying the purpose for which the Net Proceeds have been utilised. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our operational and financial performance.

36. *Information relating to the estimated manufacturing capacities of our production facilities included in this Prospectus is based on various assumptions and estimates. Actual production rate may vary from such estimated manufacturing capacity information and historical capacity utilization rates.*

The information relating to the estimated manufacturing capacities of our manufacturing facilities included in this Prospectus are based on various assumptions and estimates of our management, including proposed operations, assumptions relating to availability and quality of raw materials and assumptions relating to potential facility capacity, facility operating shifts, and potential operational efficiencies. Actual production levels and future capacity utilization rates may vary significantly from the estimated manufacturing capacities of our manufacturing facilities and historical capacity utilization rates.

37. *The rate of interest for the loans obtained by us from the banks are variable and any increase in interest rates may adversely affect our results of operations and financial condition.*

Our Company is susceptible to changes in interest rates and the risks arising there from. Both of our sanction letters provide for interest at variable rates with a provision for the periodic resetting of interest rates. Further the lenders are entitled to change the applicable rate of interest, which is a combination of a base rate that depends upon the policies of the RBI and a contractually agreed spread, and in the event of an adverse change in our Company's credit risk rating. See "Financial Indebtedness" on page no. 160 of this Prospectus, for a description of interest payable on our borrowings. Further, in recent years, the Government of India has taken measures to control

inflation, which have included tightening the monetary policy by raising interest rates. As such, any increase in interest rates may have an adverse effect on our business, results of operations, cash flows and financial condition.

- 38. *Our Company had availed ₹ 45.00 lakhs as an unsecured loan from the shareholder which is repayable on demand. Any demand from the lender for repayment of such unsecured loan may affect our cash flow and financial condition.***

Our Company as per the restated audited financial statement as on March 31, 2017 had availed total sum of ₹ 45.00 lakhs as unsecured loan from the shareholder which may be recalled at any time. Sudden recall may disrupt our operations and also may force us to opt for funding at higher interest rates, resulting in higher financial burden. Further, our Company will not be able to raise funds at short notice and thus result in shortage of working capital fund. For further details, please refer to the section “*Unsecured Loans*” under “*Financial Statements*” beginning on page no. 136 of this Prospectus. Any demand for the repayment of such unsecured loan, may adversely affect our cash flow and financial condition.

Our Company has obtained, or may obtain in future, unsecured loans, some of which may be recalled at any time at the option of the lender. If the unsecured loans obtained by our Company are recalled at any time, the financial condition of our Company may be adversely affected having an effect on our business, prospects and results of operations also.

- 39. *The requirements of being a listed company may strain our resources.***

Our Company was not a listed company and has not been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, our Company will incur significant legal, accounting, corporate governance and other expenses that were not incurred earlier as an unlisted company. Our Company will be subject to the Listing Agreements with the Stock Exchanges, which requires filing of audited annual and unaudited quarterly reports with respect to our business and financial condition.

Furthermore, as a listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions to support the existence of effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management oversight will be required. As a result, management’s attention may be diverted from other business concerns, which could adversely affect our business, prospects, results of operations and financial condition and the price of our Equity Shares. In addition, we may need to hire additional legal and accounting staff with appropriate listed company experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely manner.

RISK FACTORS RELATED TO EQUITY SHARES

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

Any future issuance of Equity Shares by our Company could dilute the investors’ shareholding. Any such future issuance of Equity Shares or sales of Equity Shares by any of our significant shareholders may also adversely affect the trading price of the Equity Shares, and could impact our ability to raise capital through an offering of securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

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

There is no guarantee that our Equity Shares will be listed on the Stock Exchanges in a timely manner or at all and any trading closures at the Stock Exchanges may adversely affect the trading price of our Equity Shares. Prior to the Issue, there has not been a public market for the Equity Shares. Further, we cannot predict the extent to which investor interest will lead to the development of an active trading market on the Stock Exchanges or how liquid that market will become. If an active market does not develop, you may experience difficulty selling the Equity Shares that you purchased. The Issue Price is not indicative of prices that will prevail in the open market following the Issue. Consequently, you may not be able to sell your Equity Shares at prices equal to or greater than the Issue

Price. The market price of the Equity Shares on the Stock Exchanges may fluctuate after listing as a result of several factors, including the following:

- Volatility in the Indian and other Global Securities Markets;
- The performance of the Indian and Global Economy;
- Risks relating to our business and industry, including those discussed in this Prospectus;
- Strategic actions by us or our competitors;
- Investor perception of the investment opportunity associated with the Equity Shares and our future performance;
- Adverse media reports about us, our shareholders or Group Companies;
- Future sales of the Equity Shares;
- Variations in our quarterly results of operations;
- Differences between our actual financial and operating results and those expected by investors and analysts;
- Our future expansion plans;
- Perceptions about our future performance or the performance of Indian galvanized steel wire manufacturing companies generally;
- Performance of our competitors in the Indian galvanized steel wire manufacturing industry and the perception in the market about investments in the Steel sector;
- Significant developments in the regulation of the galvanized steel wire manufacturing industry in our key locations;
- Changes in the estimates of our performance or recommendations by financial analysts;
- Significant developments in India's economic liberalisation and deregulation policies; and
- Significant developments in India's fiscal and environmental regulations. There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share

Price could fluctuate significantly as a result of market volatility. A decrease in the market price of the Equity Shares could cause you to lose some or all of your investment.

42. *Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.*

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements, and that of our Subsidiary and the dividends they distribute to us. In the past, we have not made dividend payments to the Shareholders of our Company. The Company may decide to retain all future earnings, if any, for use in the operations and expansion of the business. In such situation, the Company 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 and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot state with any certainty whether we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

EXTERNAL RISK FACTORS

43. *Any change in the government policies vis-à-vis expenditure, subsidies and incentives etc. drinking water sector could affect their ability to spend on packaged drinking water products, thereby affecting our business and profitability.*

Any changes in government policies relating to our industry such as reduction of government expenditure, withdrawal or changes in incentives and subsidy systems, or adverse changes in raw material prices or further intensive process cost and/or minimum support prices could have an adverse effect on the ability of our customers to spend on our products.

Our ability to freely set prices for products may be restricted by the government and our profits may reduce. End users of our products may seek to find ways to reduce or contain related costs. We cannot predict the nature of the measures that may be adopted by governments or private organisations or their impact on our revenues. In the event such measures result in increased costs for our suppliers, their concentration in this area may reduce which could affect our supply chain. Also, if Packaged Drinking Water Regulations or third party payer influence results

in lower prices for our products, our overall revenues may decrease and our cash flows and profits could be adversely affected even in cases where the demand for our products increases.

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

A majority of the provisions and rules under the Companies Act, 2013 have recently been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital, disclosures in prospectus, corporate governance norms, audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. Further, companies meeting certain financial thresholds are also required to constitute a committee of the board of directors for corporate social responsibility activities and ensure that at least 2% of the average net profits of the company during three immediately preceding financial years are utilized for corporate social responsibility activities. Penalties for instances of non-compliance have been prescribed under the Companies Act, 2013, which may result in inter alia, our Company, Directors and key managerial employees being subject to such penalties and formal actions as prescribed under the Companies Act, 2013, should we not be able to comply with the provisions of the New Companies Act within the prescribed timelines, and this could also affect our reputation.

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

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

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

Our Company is subject to various regulations and policies. For details see section titled “*Key Industry Regulations and Policies*” beginning on page no. 87 of this Prospectus. Our business 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 our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse effect on our business, financial condition and results of operations.

46. *Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse affects on our operations and financial performance.*

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price and liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

47. *Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.*

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, impede travel and other services and ultimately adversely affect our business. In addition, any deterioration in relations between India and Pakistan might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on the value of share prices generally as well as the price of our Equity Shares. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

48. *Instability in 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, especially in the United States of America or Europe, 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.

The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in Nifty, NSE's/SENSEX, BSE's benchmark index. 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.

49. *Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our Company's business.*

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect our Company's ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could harm our Company's business and financial performance and ability to obtain financing for capital expenditures.

50. *Conditions in the Indian securities market and stock exchanges may affect the price and liquidity of our Equity Shares.*

Indian stock exchanges, which are smaller and more volatile than stock markets in developed economies, have in the past, experienced problems which have affected the prices and liquidity of listed securities of Indian companies. These problems include temporary exchange closures to manage extreme market volatility, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected. Further, a closure of, or trading stoppage on, either of the Stock Exchanges could adversely affect the trading price of our Equity Shares.

51. *We will prepare our financial statements from April 1, 2018 onwards under the Indian Accounting Standards (“Ind AS”). As Ind AS is different in many respects from Indian GAAP, our financial statements from April 1, 2018 may not be comparable to our historical financial statements and our financial statements for the year ending March 31, 2017 prepared under Indian GAAP may not be comparable to our financial statements for the year ending March 31, 2017 prepared under Ind AS for comparison purposes. In addition, our transition to Ind AS reporting could have an adverse effect on our business and results of operations.*

We currently prepare our financial statements under Indian GAAP. The Companies (Indian Accounting Standards) Rules, 2015 (“IAS Rules”), as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, enacted changes to Indian GAAP that are intended to align Indian GAAP further with IFRS. The IAS Rules provide that the financial statements of the companies to which they apply shall be prepared and audited in accordance with Ind AS. Ind AS is different in many respects from Indian GAAP. All NBFCs and HFCs having a net worth of more than ₹ 5,000.00 million are required to mandatorily adopt Ind AS for the accounting period beginning from April 01, 2018, with comparatives for the period ending on March 31, 2017. Although any company may voluntarily implement Ind AS for the accounting period beginning from April 01, 2015, we intend to implement Ind AS for the accounting period beginning from April 01, 2018. As there is not yet a significant body of established practice, such as interpretations of Ind AS, on which to draw in forming judgments regarding the Ind AS implementation and application, we have not determined with any degree of certainty the impact the adoption of Ind AS will have on our financial statements. However, we know that the Ind AS will change our methodology for estimating allowances for doubtful debt losses. Ind AS will require us to value our NPAs by reference to their market value (if a ready market for such loans exists) or to calculate the present value of the expected future cash flows realisable from our loans, including the possible liquidation of collateral (discounted at the loan’s effective interest rate) in estimating allowances for doubtful debt losses. This may result in us recognising higher allowances for doubtful debt losses in the future, which will adversely affect our results of our operations. Accordingly, our financial statements for the period commencing from April 01, 2018 may not be comparable to our historical financial statements and our financial statements for the year ending March 31, 2017 prepared under Indian GAAP may not be comparable to our financial statements for the year ending March 31, 2017 prepared under Ind AS for comparison purposes.

In our transition to Ind AS reporting, we may encounter difficulties in the on-going process of implementing and enhancing our management information systems. Our management may also have to divert significant time and additional resources in order to implement Ind AS on a timely and successful basis. Moreover, there is increasing competition for the small number of Ind AS experienced accounting personnel available as more Indian companies begin to prepare Ind AS financial statements. Therefore, our transition to Ind AS reporting could have an adverse effect on our business and results of operations

PROMINENT NOTES

- Investors are free to contact the Lead Manager 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.
- The Net Worth of our Company (net of revaluation reserves) is ₹ 316.67 lakhs and the book value of each Equity Share was ₹ 8.49 as of March 31, 2017 as per our Restated Financial Statements. For more information, please refer the Section titled “Financial Information” beginning on page no. 120 of this Prospectus.
- Public Issue of upto 16,00,000 Equity Shares for cash at price of ₹ 26 per share including a premium of ₹ 16 aggregating to ₹ 416.00 lakhs. The Issue will constitute 30.02 % of the post-Issue paid-up Equity Share capital of our Company.
- The average cost of acquisition of Equity Shares by our Promoters is.

Promoters	Average cost (₹)
Mr. Sandeep Palwe	11.82
Mr. Nayan Palwe	12.44
Mrs. Charushila Lathi	4.96

- Investors are advised to refer to the chapter titled “Basis for Issue Price” beginning on page no. 63 of this Prospectus.

6. The details of transactions by our Company with our Group Companies or associate during the last year are disclosed under “Annexure XXIII - Related Party Transactions” on page no. 137 of this Prospectus.
7. There are no financing arrangements whereby the Promoter Group, the Directors of our Company who are the Promoters of our Company, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of 6 (six) months immediately preceding the date of this Prospectus.
8. Our Company was incorporated as Seven Hills Beverages Private Limited on December 11, 2009 under Companies Act 1956 with Registrar of Companies, Pune bearing Registration No.135147. The status of our Company was changed to public limited and the name of our Company was changed to Seven Hills Beverages Limited vide Special Resolution dated April 10, 2017. The fresh certificate of incorporation consequent to conversion was issued on May 26, 2017 by the Registrar of Companies, Pune. Further, we have shifted our Registered Office from Pune to Nashik and have received a revised Corporate Identification Number as U15500MH2009PLC296411 vide certificate dated June 21, 2017 by the Registrar of Companies, Mumbai.

SECTION III- INTRODUCTION

SUMMARY OF OUR INDUSTRY

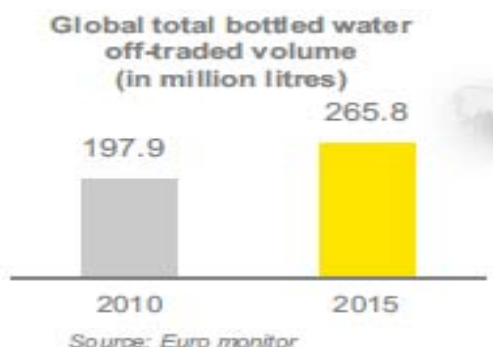
BOTTLED WATER INDUSTRY OVERVIEW

The bottled water market can be segmented by product types, distribution channel and geography. Asia-Pacific is the largest market in terms of revenue and total consumption, accounting for 33% market share. It is also the fastest growing market for bottled water, covering more than one-thirds of the total market demand.

The bottled water market is fragmented due to the presence of a large number of private label brands and local players. The growing demand for thirst-quenching products, health and hygiene concerns, multiple market distribution channels and social acceptance of bottled water are expected to help the market grow at a good pace. Multiple product launches, innovative product packaging, healthy and hygienic products, huge marketing & promotional activities and mergers & acquisitions with smaller level players have been strong business strategies for market growth in the region.

Bisleri International, Natural Waters of Viti Ltd, CR Beverages (Holding) Ltd., Pepsi Co. (Aquafina), Tingyi(Cayman) Holding Corporation, Nongfu Spring Co. Ltd, The Coca-Cola Company, Danone, Hangzhou Wahaha Group Co. Ltd and Nestle Water are the top ten global players in still water category.

Of the key varieties of products available in the market, including still bottled water, flavored bottled water, carbonated bottled water, and functional bottled water, the segment of still bottled water dominates in terms of both revenue and volume. The segment is expected to hold 78.8% and 82.2% in terms of revenue and volume, respectively, of the global market by the end of 2016, and is also expected to remain dominant throughout the forecast period. The vast rise in the global population of health conscious consumers and diabetics is key to the rising demand for still bottled water as this product variety does not contain artificial sweeteners or ingredients.



The total global off traded volume is a combined volume of still bottled water, Functional, Flavored and Carbonated bottled water with still bottle having the maximum share, as seen from the above figure.

(Source: Government Report on Water Supply- Jan' 2017)

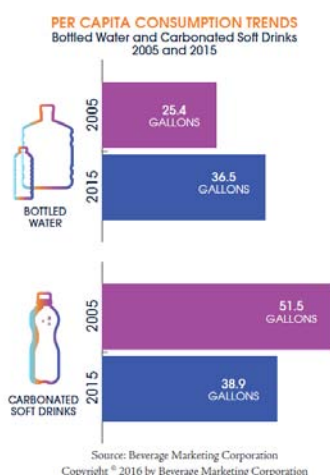
Rising concerns regarding the high sugars in carbonated soft drinks are also shifting the consumer's focus from flavored and carbonated soft drinks to flavored and carbonated bottled water. The segment of carbonated bottled water is presently the second dominant segment of the market and is expected to grow at a healthy pace throughout the forecast period as well. However, the segment of flavored bottled water is expected to register the most promising growth, exhibiting an 8.4% CAGR from 2016 through 2024. The segment of functional bottled water is expected to register a slightly less but equally promising CAGR over the said period.

(Source: <http://www.transparencymarketresearch.com/bottled-water-market.html>)

Developing Economies to Remain Key Growth Drivers

The markets for bottled water in regions such as Asia Pacific, Latin America, and Middle East and Africa are expected to register high growth rates between 2016 and 2024. The bottled water market in Asia Pacific is expected to dominate the global market in terms of market share owing to high demand for bottled water from India and China, Thailand and Indonesia. The region will remain ahead of other regional markets in terms of overall uptake of bottled water owing to the rising per capita consumption of bottled water across urban areas in developing economies. Also, the easy

availability of bottled water through well-developed supply chain for bottled water products in the region will enable the bottled water market in the region gain traction.



(Source: July / Aug 2016 – Bottled Water Report)

In terms of value, Asia Pacific accounted for a share of 26.9% in the global bottled water market in 2015 and is expected to account for 31.0% by 2024. In terms of volume too, the bottled water market in Asia Pacific is expected to remain the dominant regional market throughout the forecast period. The bottled water market in Latin America is also expected to witness favorable growth over the forecast period owing to the vast rise in focus of key manufacturers and suppliers of bottled water and an increasing number of manufacturing facilities in the region.

(Source: <http://www.transparencymarketresearch.com/bottled-water-market.html>)

Global Scenario:

Global bottled water market was valued at \$169,863 million in 2015, and is expected to reach \$319,860 million by 2022, expanding at a CAGR of 9.5% during the forecast period 2014 - 2022. Bottled water is packaged drinking water that is purified and free from contamination.

(Source: <https://www.alliedmarketresearch.com/bottled-water-market>)

GLOBAL BOTTLED WATER MARKET Leading Countries' Consumption and Compound Annual Growth Rates 2010 – 2015				
2015		Millions of Gallons		CAGR*
Rank	Countries	2010	2015	2010/15
1	China	10,519.3	20,508.4	14.3%
2	United States	8,756.1	11,738.7	6.0%
3	Mexico	6,949.3	8,081.2	3.1%
4	Indonesia	3,830.5	6,815.6	12.2%
5	Brazil	4,378.7	5,357.4	4.1%
6	India	2,745.3	4,596.3	10.9%
7	Thailand	2,008.3	3,624.0	12.5%
8	Germany	2,913.6	3,100.4	1.3%
9	Italy	2,672.4	2,876.0	1.5%
10	France	2,199.8	2,388.8	1.7%
Top 10 Subtotal		46,973.3	69,084.7	8.0%
All Others		15,332.0	17,928.6	3.2%
WORLD TOTAL		62,305.3	87,013.3	6.9%

*Compound annual growth rate

Source: Beverage Marketing Corporation

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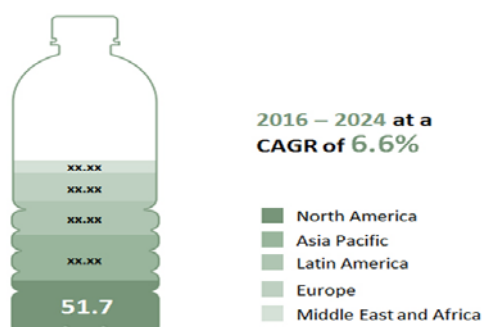
(Source: July / Aug 2016 – Bottled Water Report)

The global market for bottled water has gained significant momentum in the past few years, chiefly owing to the increasing global demand for convenient, safer, healthy, and refreshing beverages. Rising concerns regarding the

adverse effects of the high-sugar content of carbonated soft drinks and increasing disposable incomes of the population in Asia Pacific, Latin America, and Eastern Europe have also significantly contributed to the increasing demand bottled water in the global market.

Transparency Market Research (TMR) offers an 8-year forecast for the global bottled water market between 2016 and 2024. In terms of value, the market is expected to register a CAGR of 6.6% during the forecast period (2016–2024). If the projection holds true, the market will rise from a valuation of US\$169.9 bn to US\$307.2 bn by 2024.

Global Bottled Water Market Revenue By Region, 2015 (US\$ Bn)

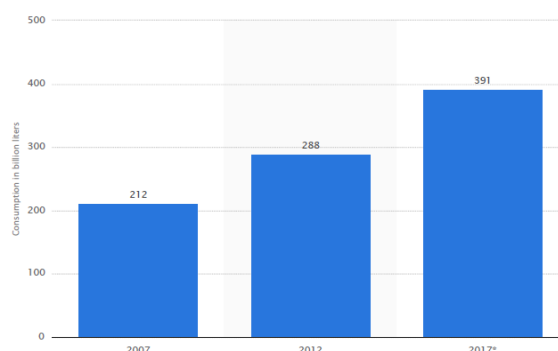


Source: Transparency Market Research Analysis, 2016

(Source: <http://www.prnewswire.com/news-releases/bottled-water-market---global-industry-analysis-size-share-growth-trends-and-forecast-2016---2024-300376997.html>)

Bottled Water Consumption world-wide from 2007 – 2017 (in billion litres)

The timeline given below shows the consumption of bottled water worldwide in 2007 and 2012, and provides a forecast of 2017.

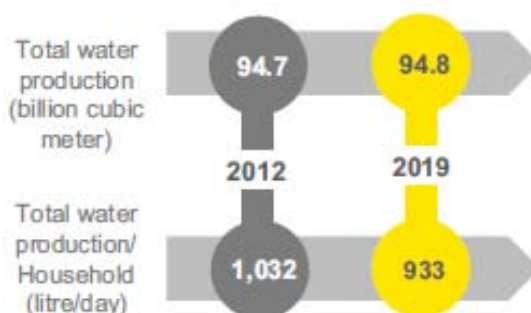


(Source: <https://www.statista.com/statistics/387255/global-bottled-water-consumption/>)

Indian Scenario:

Packaged bottled water industry is segmented into two parts; Packaged drinking water and Natural mineral water. The packaged bottled water industry in India is currently valued at INR 60bn (~USD 1billion) in FY 2013 and has been growing at ~15% for the last three years. Value Notes estimates that the industry will be worth approximately INR 160bn (~USD 2.67billion) by FY 2018, growing at CAGR of ~22%. Packaged drinking water, which holds about 85% of the market, is witnessing strong growth owing to various factors such as changes in life.

(Source: <http://www.marketreportsonindia.com/food-beverages-market-research-reports-3273/packaged-bottled-water-market-in-india-2013-2018.html>)



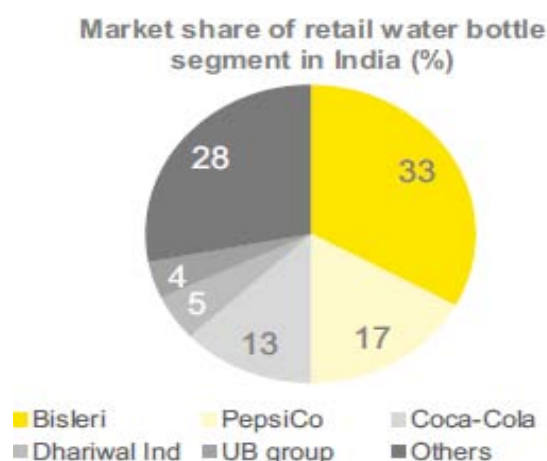
Source: Business Monitoring Intelligence (BMI)

(Source – Government Report on Water Supply- Jan’ 2017)

Competitive Landscape

Parle Bisleri Ltd continued to lead bottled water in 2016 with an off-trade value share of 24%. The company focuses mainly on the manufacture and distribution of bulk water, targeting the supply of bulk bottled water to homes and institutional environments such as offices. The company enjoys first-mover advantage in bottled water and its leadership in the category can be attributed mainly to its widespread distribution network and the strong connection of its brand with its customer base. As Parle Bisleri Ltd was the first company to launch the bottled water in India, its Bisleri brand is perceived as synonymous with bottled water among many Indian consumers. India's top bottled water brands are Ramesh Chauhan's

Bisleri, PepsiCo's Aquafina and Coca-Cola's Kinley. Coca-Cola relaunched global water brand Bonaqua in May.



Source: Yahoo finance

Parle Bisleri Ltd maintains its lead in Indian bottled water market, as seen from the above figure.

(Source: Government Report on Water Supply- Jan’ 2017)

SUMMARY OF OUR BUSINESS

OVERVIEW

Our Company was incorporated as Seven Hills Beverages Private Limited on December 11, 2009 under the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Maharashtra, Pune.

We are engaged in the business of manufacturing packaged drinking water for Bisleri International Pvt. Ltd. We operate as “Co-packers” for “Bisleri” wherein we manufacture the bottles at our plant in order to avoid any possible contaminations and carry out the filling of purified water as well as final sealing and packaging. The water purification process is carried out in multiple stages to ensure that the water is free from all forms of bacteria and is in accordance with the process and standards of Bisleri International Pvt. Ltd and also BSI Manual namely IS 14543 : 2004 for Packaged Drinking Water.

Our manufacturing plant spread across almost 2 acres of owned land is located at Dondori, Nashik in the state of Maharashtra. We have been augmenting the manufacturing capacities of this plant from time to time and the plant has a current installed capacity of 32,85,000 boxes (with each box consisting of 12 bottles each). This makes us a strong partner for “Bisleri” in meeting the requirements of packaged drinking water supply in Nashik and areas nearby such as Shirdi, Aurangabad etc. For details of our past capacity utilisations please refer “*Our Business – Capacity and Capacity Utilization*” on page no. 83 of this Prospectus.

Our product “packaged drinking water” is available in 5 pack sizes: 250 ml bottles, 500ml, 1 litre, 2 litre and 20 litre jars. For details, please refer to “*Our Business –Product Portfolio*” on page no. 78 of this Prospectus. We use advanced machinery and production techniques for all the manufacturing activities like bottle manufacturing, water treatment, packaged drinking water (ozonated) etc. We have an in-house testing and quality control system having fully automatic and semi-automatic testing machines, under proper quality control and strict supervision. Our in-house testing facilities are as per the general industry standards. For details, please refer to “*Our Business - Testing and Quality Control*” on page no. 82 of this Prospectus.

Recently, we have acquired 50.49% strategic stake in Palwe Pest Control Private Limited. (“PPCPL”), making it as our subsidiary company. PPCPL is a service provider, rendering pest control and other related services not only to Central and State Govt. organization but also to all types of companies in Public, Private and Semiprivate sectors, as well as various trusts and other social organizations and also households. We expect to achieve benefits in form of capital appreciation from these investments, improvement in our financial results (as per “Subsidiary accounting”) as well as future synergies if any.

PPCPL has been in this business since more than 16 years and is a recognized brand in services such as General Pest Control Treatment, Birds Control Treatment, Landscaping services, Termite proofing treatment, Interior treatment, Rodent Control, new gel treatment for all types of cockroaches and Export Fumigation to Vessel and Container. PPCPL provides quarantine and pre-shipment fumigation of export commodities in bulk, liner, chartered vessels and sea-going containers at all ports and Inland Container Depots (ICD’s). For details, please refer to “*Our Business - Our subsidiary company*” on page no. 79 of this Prospectus.

Our revenue from operations has grown at a CAGR of 9.14 % from ₹ 675.03 lakhs in 2015 to ₹ 804.12 lakhs in 2017. Further our Operating profits (EBIDTA) has grown at CAGR of 189.96 % from ₹ 59.14 lakhs in 2015 to ₹ 213.42 lakhs in 2017. Our company has declared its first after tax profit in FY 2017 at ₹ 137.09 lakhs.

Our Strengths

Well Experienced Management

Our company is being led by Mr. Sandeep Palwe and Mr. Nayan Palwe who took over the management of this Company in the year 2013. Our promoters have over the years worked on the production efficiency and the overall management of the factory and are instrumental in improvement in our financial and operating numbers. Further our company has employed suitable technical and support staff to manage key areas of operations. For further details of the educational qualifications and experience of our Senior Management Team and our Key Managerial Personnel please refer the chapter titled “*Our Management*” beginning on page no. 100 of this Prospectus.

Well Established Automated Manufacturing Set-up

Our manufacturing process and the final product confirms to the BIS Manual namely IS 14543: 2004 for Packaged Drinking Water (Other Than Packaged Natural Mineral Water) and the standards and process of Bisleri International Pvt. Ltd. PET Bottles for packaged drinking water manufactured at our factory are tested as per Bureau of Indian Standards and accredited by Bisleri International Pvt. Ltd. We follow stringent quality standards in our factory to ensure that our products meet required BIS standards, Bisleri International Pvt. Ltd standards. These standards ensure the quality consistency of the manufactured product and the process of manufacturing. We have an in-house testing and quality control mechanism having fully automatic testing machines, chemical laboratory operated by skilled operators, under proper quality control and strict supervision. Our in-house testing facilities includes various tests like Drop Testing, Pin-Hole Testing, Closure Leakage Testing, Handle Strength Testing, and Testing for odour, color, taste, Turbidity and ingredients like TDS, Potential of Hydrogen (pH). We believe that this consistency in quality standards and compliance with industry practices will help us ensure continued relationship with reputed players in the industry.

Strong Association with Bisleri

Bisleri is one of the leading international companies with a global presence. We have been associated with Bisleri since 2010 and believe that our strong relationship with Bisleri International Pvt. Ltd is one of our key strengths. Our operations benefit from our long association with Bisleri International Pvt. Ltd, including access to modern technology, operational know-how, industry best practices, access to raw materials and equipment at competitive prices. We source high quality raw materials from suppliers that are pre-approved by Bisleri. Our key employees also attend management and staff development programs organized by Bisleri. We believe that this relationship with Bisleri helps us ensure regular operating business and future possibilities of increasing capacity utilizations.

Locational Advantage

Our manufacturing facility is located at Gat No.206, Khatwad Phata, Village Pimpalnere, Tal. Dindori, Nashik- 422 004. This location is approximately 10 kms away from main Nashik City and hence acts as a key partner for Bisleri in meeting the requirements of packaged drinking water at Nashik and surrounding districts. There is no other manufacturing partner for Bisleri within the Nashik Region of Maharashtra and we believe that this region has a growing population and urban culture thereby increasing demand for our products and hence we should be able to take benefits of such locational advantage in the future as well.

Our Strategies

Reduce our debt burden and increase fund based capabilities

Being a young and growing organization we have proposed to reduce our debt levels and also increase our fund based working capital capabilities by raising equity funds through this issue. We believe that being well capitalized and low debt company will help us create shareholder value in the short and long term. For further details of our working capital requirements and related explanations please see “*Objects of the Issue*” beginning on page no. 57 of this Prospectus.

Grow our business by capitalizing on brand strength of Bisleri.

Bisleri International Pvt. Ltd is one of the major players in the economy for packaged drinking water. We continue to focus on growing our sales, since the packaged drinking water segment in India is highly fragmented and provides significant growth opportunities. Further we continue to, by expanding our distribution reach, and focus on increasing consumption volumes. In addition, consistent with Bisleri’s marketing and product strategy, we manufacture products in smaller packages to target the semi-urban and rural markets in India. “Bisleri” is a globally established brand in packaged drinking water and we believe that our continued association with Bisleri International Pvt. Ltd will enable us grow our business operations.

Continue to focus on cost efficiencies and invest in technology to improve operational efficiency

We continue to invest in increasing our operational efficiency throughout the organization. We are addressing the increase in operational output through continuous process improvement, consistent quality and technology development. Alignment of our people to ‘process improvement’ through change management and upgrading of skills as required for customer satisfaction is a continuous activity and we envision to become a strong partner for Bisleri by concentrating on these elements.

Increase our Geographical reach

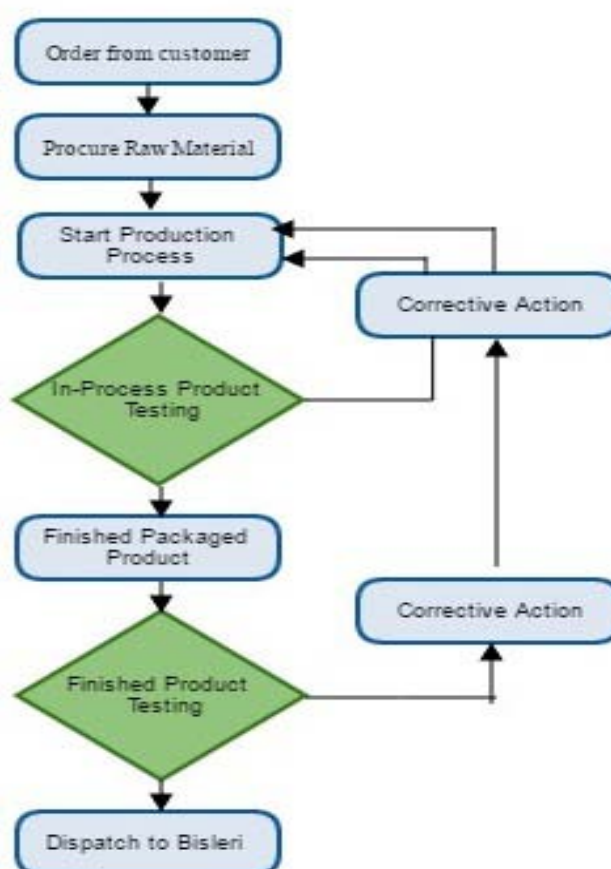
Currently our products are mainly available in Nashik City, Shirdi and Aurangabad. However; since we have adequate installed capacities we propose to increase our product reach to other nearby districts such as Ahmednagar, Jalgaon and Dhule. We believe that increasing our geographical reach will help improve our margins as well as brand recall.

Explore possibilities of inorganic growth in the future

Our company believes in organic as well as inorganic growth. In line with this belief we have recently acquired 50.49% stake in PPCPL a pest control related services company and making it as our subsidiary company. We intend to continue to explore such opportunities in the future such as increasing our stake in PPCPL or acquiring stake in newer businesses with relevant synergies or capital appreciation possibilities.

DETAILS OF OUR BUSINESS

Current Business Model



Our Company receives pack-wise monthly production plan from our customer “Bisleri International Pvt. Ltd” for manufacturing of packaged drinking water as per their requirement. Accordingly, we plan the production shift wise and date wise for meeting the required quantity. Based on the production quantity, we procure raw materials from Bisleri authorized vendors, which are inspected on the basis of its specifications for quality assurance. We produce Finished Packaged Drinking Water under the supervision of Bisleri and as per water mineralization formula of Bisleri, also complying with the standards of BIS. The product is tested and inspected at various stages of manufacturing to ensure the quality standards and other parameters set by BIS Manual namely IS 14543: 2004 for Packaged Drinking Water (Other Than Packaged Natural Mineral Water). The Finished Product meeting all the quality parameters is ultimately dispatched to Bisleri International Pvt. Ltd on daily basis.

SUMMARY OF FINANCIAL INFORMATION

Annexure I

STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(₹ in lakhs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
EQUITY AND LIABILITIES					
Shareholder's fund					
a) Equity Share Capital	373.00	101.00	101.00	101.00	101.00
b) Reserves and surplus	(0.33)	(179.87)	(65.84)	(38.96)	58.54
Less: Revaluation Reserves	56.00	69.56	169.68	185.26	203.51
Total Shareholders Fund (Net of revaluation reserve)	316.67	(148.42)	(134.52)	(123.22)	(43.97)
Share Application Money Pending Allotment	-	-	-	74.43	27.00
Non-current liabilities					
a) Long Term Borrowings	17.28	68.83	85.38	142.40	184.80
Total	17.28	68.83	85.38	142.40	184.80
Current liabilities					
a) Short-term borrowings	120.13	391.44	278.41	165.56	70.53
b) Trade payables	70.26	51.64	82.34	188.19	167.74
c) Other Current Liabilities	127.73	53.19	24.61	49.54	60.37
c) Short-term provisions	28.06	-	-	-	-
Total	346.18	496.28	385.37	403.29	298.64
TOTAL	680.13	416.68	339.82	496.89	466.47
ASSETS					
Non - Current Assets					
a) Fixed Assets					
i.) Tangible assets (Net Block)	378.18	398.48	428.83	481.18	544.51
Less: Revaluation Reserves	56.00	69.56	169.68	185.26	203.51
Net Block after adjustment for revaluation reserve	322.18	328.92	259.15	295.92	341.00
b) Non- Current Investments	126.00	-	-	-	-
c) Long term Loans & Advances	30.78	3.83	1.64	2.29	3.14
d) Deferred Tax Assets	12.59	7.70	-	-	-
Total	491.55	340.44	260.79	298.21	344.14
Current Assets					
a) Inventories	80.39	32.13	36.80	59.98	65.85
b) Trade Receivables	50.60	27.92	27.97	42.84	30.24
c) Cash and Cash equivalents	33.85	4.16	(8.83)	20.50	16.38
d) Short-term loans and advances	-	-	22.97	73.83	8.05
e) Other Current Assets	23.74	12.04	0.11	1.53	1.81
Total	188.58	76.24	79.03	198.68	122.33
TOTAL	680.13	416.68	339.82	496.89	466.47

Annexure II

STATEMENT OF PROFIT AND LOSS ACCOUNT, AS RESTATED

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2017	2016	2015	2014	2013
INCOME:					
Revenue from Operations	804.12	639.21	675.03	558.42	581.76
Other Income	69.27	35.63	17.06	11.41	23.92
Total income	873.39	674.84	692.09	569.83	605.68
EXPENSES:					
Cost of materials consumed	532.29	492.37	523.45	455.37	454.24
Employee benefits expense	10.81	23.81	16.29	32.18	20.73
Finance cost	33.28	35.80	27.64	29.48	40.88
Depreciation and amortization expense	47.95	66.82	39.22	45.37	52.88
Manufacturing and other expenses	116.86	81.22	93.21	86.69	119.71
Total expenses	741.20	700.03	699.80	649.08	688.44
Net Profit / (Loss) before exceptional items and tax	132.19	(25.19)	(7.71)	(79.25)	(82.76)
Exceptional items	-	-	-	-	-
Net Profit / (Loss) before tax	132.19	(25.19)	(7.71)	(79.25)	(82.76)
Less: Tax expense					
Current tax	-	-	-	-	-
Deferred tax (asset)/liability	(4.90)	(11.28)	3.58	-	-
Total Tax Expense	(4.90)	(11.28)	3.58	-	-
Net Profit / (Loss) after tax	137.09	(13.91)	(11.29)	(79.25)	(82.76)

Annexure III
CASH FLOW STATEMENT, AS RESTATED
(₹ in lakhs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Cash Flow From Operating Activities					
Net Profit Before Tax	132.19	(25.19)	(7.71)	(79.25)	(82.76)
Adjustments for :					
Depreciation/Amortisation	47.95	66.82	39.22	45.37	52.88
Finance Cost	33.28	35.80	27.64	29.48	40.88
Operating Profit Before Working Capital Changes	213.42	77.44	59.14	(4.41)	11.00
Adjusted for (Increase)/ Decrease:					
Trade Receivables	(22.68)	0.05	14.87	(12.61)	19.44
Inventories	(48.26)	4.67	23.17	5.87	(1.15)
Short Term Loans and Advances	-	22.97	50.86	(65.78)	2.44
Other Current Assets	(11.70)	(11.93)	1.42	0.28	0.52
Trade Payables	18.62	(30.68)	(105.85)	20.45	48.40
Other Current Liabilities (Tax Liabilities not included)	74.54	28.58	(24.93)	(10.83)	35.30
Short Term Provisions	28.06	-	-	-	-
Cash Generated From Operations Before Exceptional Items	251.99	91.12	18.69	(67.02)	115.95
Add:- Exceptional Items	-	-	-	-	-
Cash Generated From Operations	251.99	91.12	18.69	(67.02)	115.95
Less: Direct Tax paid	-	-	-	-	-
Net Cash flow from/(used in) Operating Activities (A)	251.99	91.12	18.69	(67.02)	115.95
Cash Flow From Investing Activities					
Purchase of Fixed Assets	(54.32)	(139.28)	(2.44)	(0.29)	(6.02)
(Purchase) / Sale of Investment	(126.00)	-	-	-	-
Sale of fixed asset	13.11	2.66	-	-	-
Net Cash Flow from Investing Activities (B)	(167.21)	(136.62)	(2.44)	(0.29)	(6.02)
Cash Flow From Financing Activities					
Proceeds from Share Allotment	272.00	-			
Proceeds From Share Application Money	-	-	(74.43)	47.43	27.00
Proceeds from Share Premium	56.00	-	-	-	-
Increase / (Decrease) Long Term Borrowing	(51.54)	(16.55)	(57.01)	(42.40)	(47.03)
Increase / (Decrease) in Short Term Borrowing	(271.31)	113.03	112.86	95.03	(36.51)
Increase/ (Decrease) in Long Term Loans and Advances	(26.95)	(2.18)	0.65	0.86	0.38
Interest & Financial Charges paid	(33.28)	(35.80)	(27.64)	(29.48)	(40.88)
Net Cash Flow from Financing Activities (C)	(55.08)	58.49	(45.58)	71.43	(97.03)
Net Increase/ (Decrease) in Cash and Cash Equivalents (A + B + C)	29.69	12.99	(29.33)	4.11	12.90
Cash & Cash equivalent at the beginning of the year	4.16	(8.83)	20.50	16.38	3.49
Cash & Cash Equivalent at the end of the year	33.85	4.16	(8.83)	20.50	16.38

THE ISSUE

PRESENT ISSUE IN TERMS OF THIS PROSPECTUS

Equity Shares Offered⁽¹⁾: Present Issue of Equity Shares by our Company ⁽²⁾	16,00,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 26 per share aggregating ₹ 416.00 lakhs.
Which Comprises:	
Issue Reserved for the Market Maker	88,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 26 per share aggregating ₹ 22.88 lakhs
Net Issue to the Public	15,12,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 26 per share aggregating ₹ 393.12 lakhs
	Of Which⁽³⁾:
	7,56,000 Equity Shares of ₹ 10 each at a price of ₹ 26 per share will be available for allocation for Investors of up to ₹ 2.00 lakhs
	7,56,000 Equity Shares of ₹ 10 each at a price of ₹ 26 per share will be available for allocation for Investors of above ₹ 2.00 lakhs
Equity Shares outstanding prior to the Issue	37,30,000 Equity Shares
Equity Shares outstanding after the Issue	53,30,000 Equity Shares
Objects of the Issue	Please see the chapter titled “Objects of the Issue” beginning on page no. 57 of this Prospectus.

⁽¹⁾This 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 see the section titled “Issue Related Information” beginning on page no 183 of this Prospectus.

⁽²⁾The present issue has been authorized pursuant to a resolution of our Board dated May 27, 2017 and by special resolution passed under section 62(1)(C) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders held with a shorter notice on May 30, 2017.

⁽³⁾ Allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 43 (4) of SEBI (ICDR) Regulations, as amended from time to time.

GENERAL INFORMATION

Our Company was incorporated as Seven Hills Beverages Private Limited on December 11, 2009 under Companies Act 1956 with Registrar of Companies, Pune bearing Registration No.135147. The status of our Company was changed to public limited and the name of our Company was changed to Seven Hills Beverages Limited vide Special Resolution dated April 10, 2017. The fresh certificate of incorporation consequent to conversion was issued on May 26, 2017 by the Registrar of Companies, Pune. Further, we have shifted our Registered Office from Pune to Nashik and have received a revised Corporate Identification Number as U15500MH2009PLC296411 vide certificate dated June 21, 2017 by the Registrar of Companies, Mumbai.

For further details, please refer to the chapter titled “History and Certain Corporate Affairs” beginning on page no. 96 of this Prospectus.

Brief Company and Issue Information

Registered Office	Gat No. 206, Khatwad Phata, Vill - Pimpalnere, Tal. Dindori, Nashik - 422 004 ⁽¹⁾
Corporate Office	302 Divine Tej, Thatte Nagar, College Road, Nashik- 422 005
Date of Incorporation	December 11, 2009
Company Registration No.	296411
Company Identification No.	U15500MH2009PLC296411
Address of Registrar of Companies	Everest, 100, Marine Drive, Mumbai – 400 002. Tel No.: +91 –22 - 2281 7259 / 22811493 Fax No.: +91 – 22 – 22812389
Designated Stock Exchange	SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE
Company Secretary & Compliance Officer	Mr. Rohit Kasat Address: 302 Divine Tej, Thatte Nagar, College Road, Nashik- 422 005 Tele Fax No.: +91 – 253 – 231 5305 Email: info@sevenhillsbeverages.in Website: www.sevenhillsbeverages.in

⁽¹⁾ Due to typing error from RoC, the pin code of our registered office showing incorrect, our Company is in process of rectifying the same

Board of Directors of our Company

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

Name	Designation	Director’s Identification No.
Mr. Sandeep Palwe	Managing Director	06393282
Mr. Nayan Palwe	Whole Time Director	06393325
Mrs. Charushila Lathi	Non Executive Non Independent Director	07777751
Mr. Pavan Chhatrisha	Non Executive Independent Director	07772841
Mr. Sandeep Avhad	Non Executive Independent Director	07780515

For further details pertaining to the educational qualification and experience of our Directors, for details please refer to the chapter titled “Our Management” beginning on page no. 100 of this Prospectus.

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

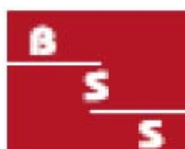
Details of Key Intermediaries pertaining to this Issue and Our Company

LEAD MANAGER TO THE ISSUE



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

REGISTRAR TO THE ISSUE



BIGSHARE SERVICES PRIVATE LIMITED
 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis,
 Makwana Road, Marol, Andheri East, Mumbai – 400 059
Tel No.: +91 – 22 – 6263 8200
Fax No.: +91 – 22 – 6263 8299
Email: ipo@bigshareonline.com
Website: <http://www.bigshareonline.com>
Contact Person: Mr. Jibu John
SEBI Registration No.: INR000001385

LEGAL COUNSEL TO THE ISSUE



M/S KANGA & CO. (ADVOCATE AND SOLICITORS)
 Readymoney Mansion,
 43, Veer Nariman Road, Fort,
 Mumbai - 400 001.
Tel No.: +91 – 22 – 6623 0000/ +91 – 22 – 6623 2288
Fax No.: +91 – 22 – 6633 9656 / 57
Email: chetanthakkar@kangacompany.com
Website: www.kangacompany.com
Contact Person: Mr. Chetan Thakkar

STATUTORY AUDITORS

M/S. KETAN K. KABRA AND ASSOCIATES, CHARTERED ACCOUNTANTS
 C/o Tirupati Provision, Near Omkareshwar Temple,
 Jalgaon – 425 001
Tel No.: +91 – 257 – 223 2262/ 80875 06805
Email: caketankabra@gmail.com
Contact Person: C.A. Ketan K. Kabra

PEER REVIEW AUDITORS



M/S. BHUTA SHAH & CO LLP., CHARTERED ACCOUNTANTS
 901/902, Regent Chambers,
 Nariman Point, Mumbai - 400 021
Tel No.: +91 - 22 - 4343 9191
Fax No.: +91 - 22 - 2283 2727
Email: harsh.bhuta@bhutashah.com
Contact Person: Mr. Harsh Bhuta

BANKER(S) TO OUR COMPANY**THE KARUR VYSYA BANK LIMITED**

Shop no. A, Bhavik Capital, Takker Lane,
Opp. Kulkarni Garden, Sharanpur Road,
Nashik – 422 002.

Tel No.: +91 – 253 – 231 7735

Website: www.kvb.co.in

Email: nasik@kvbmail.com

Contact Person: Mr. Giridhar R. R.

**HDFC BANK LIMITED**

3, Vastushri, HDFC Bank Ltd., Thatte Nagar,
Gangapur Road, Nashik- 422 005

Tel No.: +91 – 253 – 662 8593

Website: www.hdfcbank.com

Email: piyush.sheth@hdfcbank.com

Contact Person: Mr. Piyush Sheth.

BANKER(S) TO THE ISSUE**AXIS BANK LIMITED**

Jeevan Prakash Building,
Sir P.M. Road, Fort, Mumbai – 400 001

Tel No.: +91 – 22 – 4086 7376 / 7464

Fax No.: +91 – 22 – 4086 7327/ 7378

Website: www.axisbank.com

Email: fort.operationshead@axisbank.com

Contact Person: Mr. Anil Kanekar

SEBI Registration No.: INBI00000017

SELF CERTIFIED SYNDICATE BANKS

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

BROKERS TO THIS ISSUE

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the NSE at www.nseindia.com, as updated from time to time.

REGISTRAR TO ISSUE AND SHARE TRANSFER AGENTS

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

COLLECTING DEPOSITORY PARTICIPANTS

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

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

INTER-SE ALLOCATION OF RESPONSIBILITIES

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

MONITORING AGENCY

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 the requirement of Monitoring Agency is not mandatory if the issue size is below ₹ 10,000 lakhs and hence our Company has not appointed a monitoring agency for this Issue.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far, and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a fiscal, we will utilize such unutilized amount in the next fiscal.

Further, in accordance with Regulation 32(1)(a) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Prospectus.

IPO GRADING

No credit rating agency registered with SEBI has been appointed for grading of Issue.

TRUSTEES

This being an Issue of Equity Shares, the appointment of trustees is not required.

DETAILS OF THE APPRAISING AUTHORITY

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

CREDIT RATING

This being an Issue Equity Shares, credit rating is not required.

EXPERT OPINION

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

Our Company has received written consent from the Auditors namely, M/s. Bhuta Shah & Co. LLP., Chartered Accountants, (Peer Review Auditors) and M/s. Ketan K. Kabra and Associates, Chartered Accountants, (Statutory Auditors) to include their name in respect of the report on the Restated Financial Statements dated May 31, 2017 and the Statement of Tax Benefits dated June 01, 2017, issued by them and included in this Prospectus, as required under section 26(1)(a)(v) of the Companies Act, 2013 in this Prospectus and as "Expert" as defined under section 2(38) of the Companies Act, 2013 and such consent has not been withdrawn as on the date of this Prospectus.

However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

ISSUE PROGRAMME

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

Event	Indicative Date
Issue Opening Date	August 18, 2017
Issue Closing Date	August 23, 2017
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or before August 29, 2017
Initiation of Allotment / Refunds / Unblocking of Funds	On or before August 30, 2017
Credit of Equity Shares to demat accounts of Allottees	On or before August 31, 2017
Commencement of trading of the Equity Shares on the Stock Exchange	On or before September 01, 2017

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 Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Applications and any revision to the same shall be accepted **only between 10.00 a.m. and 5.00 p.m. (IST)** during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Applications and any revision to the same shall be accepted between **10.00 a.m. and 3.00 p.m. (IST)** or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Applicants after taking into account the total number of applications received up to the closure of timings and reported by the Lead Manager to the Stock Exchanges. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days. Neither our Company nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

In accordance with the SEBI Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Applications (in terms of the quantity of the Equity Shares or the Applications Amount) at any stage. Retail Individual Applicants can revise or withdraw their Applications prior to the Issue Closing Date. Except Allocation to Retail Individual Investors, Allocation in the Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or the electronic Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSB or the member of the Syndicate for rectified data.

UNDERWRITING

This Issue is 100% Underwritten. Our Company has entered into an Underwriting Agreement dated June 01, 2017 with the Underwriters for the Equity Shares proposed to be offered through the Issue. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have given their consent for inclusion of their name in the Prospectus as Underwriters and have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Details of the Underwriter	No. of Shares Underwritten	Amt Underwritten (₹ in lakhs)	% of the Total Issue Size Underwritten
Aryaman Financial Services Limited 60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.), Fort, Mumbai – 400 001 Tel. No.: +91 – 22 – 6216 6999 Fax No.: +91 – 22 – 2263 0434 Email: ipo@afsl.co.in	15,12,000	393.12	94.50%
Aryaman Capital Markets Limited 60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.), Fort, Mumbai – 400 001 Tel. No.: +91 – 22 – 6216 6999 Fax No.: +91 – 22 – 2263 0434 Email: aryacapm@gmail.com	88,000	22.88	5.50%
Total	16,00,000	416.00	100.00%

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

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

WITHDRAWAL OF THE ISSUE

Our Company and the Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event our Company would issue a public notice in the newspapers, in which the pre-issue advertisements were published, within two days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Draft Prospectus.

MARKET MAKER



ARYAMAN CAPITAL MARKETS LIMITED

60, Khatau Building, Gr. Floor,
Alkesh Dinesh Modi Marg, Opp. P. J. Tower (BSE Bldg.),
Fort, Mumbai – 400 001
Tel. No.: +91 – 22 – 6216 6999
Fax No.: +91 – 22 – 2263 0434
Email: aryacapm@gmail.com
Contact Person: Mr. Harshad Dhanawade
SEBI Registration No.: INZ000004739

Details of the Market Making Arrangement for this Issue

Our Company and the Lead Manager, Aryaman Financial Services Limited have entered into an agreement dated June 01, 2017 with Aryaman Capital Markets Limited, a Stock Broker registered with SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE in order to fulfil the obligations of Market Making.

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

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

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

10. **Risk containment measures and monitoring for Market Maker:** SME 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.
11. **Punitive Action in case of default by Market Maker:** SME Platform of NSE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a

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

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

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

CAPITAL STRUCTURE

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

(₹ in lakhs, except share data)

Sr. No.	Particulars	Aggregate Value at Nominal Value	Aggregate Value at Issue Price
A	Authorised Share Capital		
	62,00,000 Equity Shares of face value of ₹ 10 each	620.00	-
B	Issued, Subscribed and Paid-up Share Capital before the Issue		
	37,30,000 Equity Shares of face value of ₹ 10 each	373.00	-
C	Present Issue in terms of this Prospectus⁽¹⁾		
	Issue of 16,00,000 Equity Shares of ₹ 10 each at a price of ₹ 26 per equity Share	160.00	416.00
	Which comprises:		
	88,000 Equity Shares of ₹ 10 each at a price of ₹ 26 per Equity Share reserved as Market Maker Portion.	8.80	22.88
	Net Issue to Public of 15,12,000 Equity Shares of ₹ 10 each at a price of ₹ 26 per Equity Share to the Public.	151.20	393.12
	Of which⁽²⁾:		
	7,56,000 Equity Shares of ₹ 10 each at a price of ₹ 26 per Equity Share will be available for allocation for Investors of up to ₹ 2.00 lakhs	75.60	196.56
	7,56,000 Equity Shares of ₹ 10 each at a price of ₹ 26 per Equity Share will be available for allocation for Investors of above ₹ 2.00 lakhs	75.60	196.56
D	Equity Share Capital after the Issue		
	53,30,000 Equity Shares of ₹ 10 each	533.00	
E	Securities Premium Account		
	Before the Issue (as on date of this Prospectus)	112.00	
	After the Issue	368.00	

⁽¹⁾ The present issue has been authorized pursuant to a resolution of our Board dated May 27, 2017 and by special resolution passed under section 62(1)(C) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders held with a shorter notice on May 30, 2017

⁽²⁾ Allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

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

Changes in Authorized Share Capital

Since incorporation, the capital structure of our Company has been altered in the following manner:

1. The initial authorised share capital of ₹ 1,00,000 divided into 10,000 Equity Shares of ₹ 10 each was increased to ₹ 1,20,00,000 divided into 12,00,000 Equity Shares of ₹ 10 each, pursuant to resolution of shareholders passed at the Extra Ordinary General Meeting held on December 01, 2010.
2. The authorised share capital of ₹ 1,20,00,000 divided into 12,00,000 Equity Shares of ₹ 10 each was increased to ₹ 6,20,00,000 divided into 62,00,000 Equity Shares of ₹ 10 each, pursuant to resolution of shareholders passed at the Extra Ordinary General Meeting held on May 02, 2016.

NOTES TO THE CAPITAL STRUCTURE

1. Share Capital History of our Company:

a) Equity Share Capital

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

Date of Allotment of Equity Shares	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature / Reason of Allotment	Nature of Consideration	Cumulative No. of Equity Shares	Cumulative Paid Up Share Capital (₹)	Cumulative Share Premium (₹)
Upon Incorporation	10,000	10	10	Subscription to MoA	Cash	10,000	1,00,000	Nil
February 12, 2011	10,00,000	10	10	Further Allotment	Cash	10,10,000	1,01,00,000	Nil
January 02, 2017	10,10,000	10	10	Further Allotment	Cash ⁽¹⁾	20,20,000	2,02,00,000	Nil
February 04, 2017	10,10,000	10	10	Further Allotment	Cash ⁽²⁾	30,30,000	3,03,00,000	Nil
February 27, 2017	3,50,000	10	18	Further Allotment	Cash	33,80,000	3,38,00,000	56,00,000 ⁽³⁾
March 30, 2017	3,50,000	10	18	Further Allotment	Cash	37,30,000	3,73,00,000	1,12,00,000 ⁽³⁾

⁽¹⁾ Pursuant to Board Meeting held on January 02, 2017, our Company has issued 10,10,000 shares against outstanding unsecured loan on rights basis.

⁽²⁾ Pursuant to Board Meeting held on February 04, 2017, our Company has issued 10,10,000 shares against cash and outstanding unsecured loan on rights basis.

⁽³⁾ Pursuant to the provision clause (i) of Regulation 33 (1) (b) of the SEBI (ICDR) Regulation 2009, the Promoters of our Company, brought in extra premium of ₹ 8 per shares for 7,00,000 equity shares. Hence a total of additional ₹ 56.00 lakhs premium is collected by our Company in Cash, aggregating to total premium of ₹ 112.00 lakhs. The same is confirmed by a certificate dated June 12, 2017 issued by M/s. Ketan K. Kabra and Associates, Chartered Accountants (Statutory Auditors).

b) Except as disclosed in this chapter, our Company has not issued Equity Shares for consideration other than cash since incorporation to the date of this Prospectus

c) No shares have been allotted in terms of any scheme approved under sections 391-394 of the Companies Act, 1956 and/ or sections 230-233 of the Companies Act, 2013.

d) No bonus shares have been issued out of Revaluation Reserves.

e) No shares have been issued at a price lower than the Issue Price within the last one year from the date of the Draft Prospectus except as mentioned below:

Date of Allotment	Name of the Allottees	Number of Shares	Face Value (₹)	Issue Price (₹)	Reasons
January 02, 2017	Mr. Sandeep Palwe	7,21,160	10	10	Further Allotment ⁽¹⁾
	Mr. Nayan Palwe	2,88,840			
February 04, 2017	Mr. Sandeep Palwe	20,490	10	10	Further Allotment ⁽²⁾
	Mr. Vipul Lathi	5,86,010			
	Galactico Corporate Services Private Limited ⁽³⁾	4,03,500			

⁽¹⁾ Pursuant to Board Meeting held on January 02, 2017, our Company has issued 10,10,000 shares against outstanding unsecured loan on rights basis.

⁽²⁾ Pursuant to Board Meeting held on February 04, 2017, our Company has issued 10,10,000 shares against outstanding unsecured loan on rights basis.

⁽³⁾ Galactico Corporate Services Private Limited was formally known as Amigos Trading and Commerce Private Limited.

f) Shareholding of our Promoters

Set forth below are the details of the build-up of shareholding of our Promoters:

Date of Allotment /Transfer	Nature of Transaction	Nature of Consideration	No of Equity Shares	FV (₹)	Issue / Transfer Price (₹)	Cumulative No. Of Shares	% of Pre Issue Paid – Up Capital	% of Post Issue Paid – Up Capital	Lock in Period
Mr. Sandeep Palwe									
June 28, 2013	Transfer	Cash	2,52,500	10	7.35	2,52,500	6.77%	4.74%	3 Years
January 02, 2017	Further Allotment	Cash ⁽¹⁾	7,21,160	10	10	9,73,660	19.33%	13.53%	1 Year
February 04, 2017	Further Allotment	Cash	20,490	10	10	9,94,150	0.55%	0.38%	1 Year
March 30, 2017	Further Allotment	Cash	1,71,000 4,000	10	18 ⁽²⁾	11,69,150	4.69%	3.28%	3 Years 1 Year
Mr. Nayan Palwe									
June 28, 2013	Transfer	Cash	2,52,500	10	5.83	2,52,500	6.77%	4.74%	3 Years
January 02, 2017	Further Allotment	Cash ⁽¹⁾	2,88,840	10	10	5,41,340	7.74%	5.42%	1 Year
March 30, 2017	Further Allotment	Cash	1,71,000 4,000	10	18 ⁽²⁾	7,16,340	4.69%	3.28%	3 Years 1 Year
Mrs. Charushila Lathi									
March 02, 2017	Transfer	Cash	1,00,000	10	18 ⁽³⁾	1,00,000	2.68%	1.88%	3 Years
March 31, 2017	Transfer (Gift)	Other than Cash	14,84,410	10	Nil	15,84,410	39.80%	27.85%	1 Year
April 02, 2017	Transfer	Cash	1,24,000 1,26,000	10	18 ⁽³⁾	18,34,410	6.70%	4.69%	3 Years 1 Year

⁽¹⁾ Pursuant to Board Meeting held on January 02, 2017, our Company has issued 10,10,000 shares against outstanding unsecured loan on rights issue basis.

⁽²⁾ Pursuant to the provision clause (i) of Regulation 33 (1) (b) of the SEBI (ICDR) Regulation 2009, Mr. Sandeep Palwe and Mr. Nayan Palwe, brought in extra premium of ₹ 8.00 per shares above the allotment price for 1,75,000 equity shares each. A total of additional ₹ 28.00 lakhs premium was paid by them to our Company in Cash. Hence the cost of these shares shall be considered as ₹ 26.00 per share, which is same as the Issue Price.

⁽³⁾ Pursuant to the provision clause (i) of Regulation 33 (1) (b) of the SEBI (ICDR) Regulation 2009, Mrs. Charushila Lathi, brought in extra premium of ₹ 8.00 per shares for 3,50,000 equity shares. A total of additional ₹ 28.00 lakhs premium was paid by her to our Company in Cash. Hence the cost of these shares shall be considered as ₹ 26.00 per share, which is same as the Issue Price.

Notes:

- As confirmed by M/s. Ketan K. Kabra and Associates, Chartered Accountants, (Statutory Auditors); the Company has received ₹ 56.00 lakhs as additional premium from Mrs. Charushila Lathi (₹ 28.00 lakhs), Mr. Sandeep Palwe and Mr. Nayan Palwe (₹ 14.00 lakhs each). He further certified that the same has been used for repaying earlier loans which were in turn used for making investment in PPCPL and General Corporate purpose.

- None of the shares belonging to our Promoters have been pledged till date.
 - The entire Promoters' shares shall be subject to lock-in from the date of allotment of the equity shares issued through this Prospectus for periods as per applicable Regulations of the SEBI (ICDR) Regulations. For details please see Note no. 2 of "Capital Structure" on page no. 47 of this Prospectus.
 - Our Promoters have confirmed to the Company and the Lead Manager that the Equity Shares held by our Promoters have been financed from their personal funds and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose.
 - All the shares held by our Promoters were fully paid-up on the respective dates of acquisition of such shares.
- g) Except as disclosed below, none of the members of the Promoter, Promoter Group, Directors and their immediate relatives have purchased or sold any Equity shares of our Company within the last six months from the date of the Draft Prospectus.

Date of Transfer	Name of Transferor	Name of Transferee	No. of Shares (F.V. ₹ 10)	Price (₹)	Nature of Transaction	Nature of Consideration
March 02, 2017	Mr. Vipul Lathi	Mrs. Charushila Lathi	1,00,000	18	Transfer	Cash
March 30, 2017	Mr. Sarvanan Sheshadri	Mr. Balasaheb Palwe	1,000	8.46	Transfer	Cash
March 30, 2017	Mr. Sarvanan Sheshadri	Mrs. Jayshree Palwe	1,000	8.46	Transfer	Cash
March 30, 2017	Galactico Corporate Services Private Limited ⁽¹⁾	Mr. Vipul Lathi	6,56,000	8.46	Transfer	Cash
March 31, 2017	Mr. Vipul Lathi	Mrs. Charushila Lathi	14,84,410	Nil	Transfer (Gift)	Other than Cash
April 02, 2017	Galactico Corporate Services Private Limited ⁽¹⁾	Mrs. Charushila Lathi	2,50,000	18	Transfer	Cash

⁽¹⁾ Galactico Corporate Services Private Limited was formally known as Amigos Trading and Commerce Private Limited.

- h) None of the members of the Promoter Group, Directors and their immediate relatives have financed the purchase by any other person of Equity shares of our Company other than in the normal course of business of the financing entity within the period of six months immediately preceding the date of the Draft Prospectus.

2. Promoters' Contribution and other Lock-In details:

a) Details of Promoters' Contribution locked-in for 3 years

Pursuant to the Regulation 32(1) and 36(a) of the SEBI (ICDR) Regulations, an aggregate of 20% of the Post-Issue Equity Share Capital held by our Promoters shall be considered as promoters' contribution ("Promoters' Contribution") and locked-in for a period of three years from the date of Allotment. The lock-in of the Promoters' Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

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

Name of Promoters	No. of Shares locked in ⁽¹⁾	As a % of Post Issue Share Capital
Mr. Sandeep Palwe	4,24,000	7.95%
Mr. Nayan Palwe	4,24,000	7.95%
Mrs. Charushila Lathi	2,24,000	4.20%
Total	10,72,000	20.10%

⁽¹⁾ For details on the date of Allotment of the above Equity Shares, the nature of Allotment, face value and the price at which they were acquired, please see Note 1(f) under "Notes to Capital Structure" on page no. 48 of this Prospectus.

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

- Equity Shares acquired during the preceding three years for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources.
- Equity Shares acquired by the Promoters during the preceding one year, at a price lower than the price at which Equity Shares are being issued to public in the Issue.

Private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.

- The Equity Shares held by the Promoters and offered for minimum 20% Promoters' Contribution are not subject to any pledge.
- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoters' Contribution subject to lock-in.

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

We further confirm that our Promoters' Contribution of 20% of the Post Issue Equity does not include any contribution from Alternative Investment Funds.

b) Details of Shares locked-in for one year

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

3. Pre-Issue and Post Issue Shareholding of our Promoters and Promoters' Group

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

Sr. No.	Name of Shareholders	Pre-Issue		Post-Issue	
		No. of Equity Shares	As a % of Pre-Issued Equity	No. of Equity Shares	As a % of Issued Equity
1.	Promoters				
i	Mr. Sandeep Palwe	11,69,150	31.34%	11,69,150	21.94%
ii	Mr. Nayan Palwe	7,16,340	19.20%	7,16,340	13.44%
iii	Mrs. Charushila Lathi	18,34,410	49.18%	18,34,410	34.42%
2	Promoter Group (As defined by SEBI ICDR Regulations)				
I	Mr. Balasaheb Palwe	1,000	0.03%	1,000	0.02%
ii	Mrs. Jayashree Palwe	1,000	0.03%	1,000	0.02%
Total Promoter & Promoter Group Holding		37,21,900	99.78%	37,21,900	69.83%
Total Paid-Up Capital		37,30,000	100.00%	53,30,000	100.00%

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

a. The top ten Shareholders of our Company as on the date of this Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Equity Share Capital
1	Mrs. Charushila Lathi	18,34,410	49.18%
2	Mr. Sandeep Palwe	11,69,150	31.34%
3	Mr. Nayan Palwe	7,16,340	19.20%
4	Mrs. Aprita Lathi	8,000	0.21%
5	Mr. Balasaheb Palwe	1,000	0.03%
6	Mrs. Jayashree Palwe	1,000	0.03%
7	Mr. Sarvanan Sheshadri	100	Negligible
Total		37,30,000	100.00%

Note: There are only 7 Shareholders as on this date

b. The top ten Shareholders of our Company ten days prior to date of this Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Equity Share Capital
1	Mrs. Charushila Lathi	18,34,410	49.18%
2	Mr. Sandeep Palwe	11,69,150	31.34%
3	Mr. Nayan Palwe	7,16,340	19.20%
4	Mrs. Aprita Lathi	8,000	0.21%
5	Mr. Balasaheb Palwe	1,000	0.03%
6	Mrs. Jayashree Palwe	1,000	0.03%
7	Mr. Sarvanan Sheshadri	100	Negligible
Total		37,30,000	100.00%

Note: There are only 7 Shareholders as on this date

c. The top ten Shareholders of our Company two years prior to date of this Prospectus are

Sr. No.	Particulars	No. of Shares	% of Shares of then Paid-up Equity Capital
1	Mr. Sandeep Palwe	2,52,500	25.00%
2	Mr. Nayan Palwe	2,52,500	25.00%
3	Mrs. Varsha Rawat	2,52,500	25.00%
4	Mr. Neelkamal Rawat	2,42,400	24.00%
5	Mr. Sarvanan Sheshadri	10,100	1.00%
Total		10,10,000	100.00%

Note: There are only 5 Shareholders as on this date

5. Neither the Company, nor its Promoters, Directors or the Lead Manager have entered into any buyback and/or standby arrangements for purchase of Equity Shares of the Company from any person.
6. None of our Directors or Key Managerial Personnel holds Equity Shares in the Company, except as stated in the chapter titled "*Our Management*" beginning on page no. 100 of this Prospectus.
7. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under "*Basis of Allotment*" in the chapter titled "*Issue Procedure*" beginning on page no. 190 of this Prospectus. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 43 (4) of SEBI (ICDR) Regulations, as amended from time to time.
8. An investor cannot make an application for more than the number of Equity Shares issued in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
9. Our Promoters and Promoter Group will not participate in the Issue.
10. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. 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 the Promoters and subject to lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
11. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines
12. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Issue.
13. As on date of this Prospectus, the entire issued share capital of our Company is fully paid-up. The Equity Shares issued through this Public Issue will be fully paid up.
14. As on date of this Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.
15. There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time.
16. Since the entire application money is being called on application, all successful applications, shall be issued fully paid up shares only. Also, as on the date of this Prospectus the entire pre-issue share capital of the Company has been made fully paid up.
17. Except as disclosed in the Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six months commencing from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares or securities convertible into Equity Shares, whether on a preferential basis or issue of bonuses or rights or further public issue of specified securities or Qualified Institutional Placement.
18. We have not issued any Equity Shares out of revaluation reserves. We have not issued any Equity Shares for consideration other than cash except as stated in this Prospectus.
19. As on date of this Prospectus, there are no outstanding ESOP's, warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares, nor has the company ever allotted any equity shares pursuant to conversion of ESOP's till date.

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20. Our Company shall ensure that transactions in the Equity Shares by our Promoters and our Promoter Group between the date of this Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within 24 hours of such transaction.
 21. The Lead Manager and its associates do not directly or indirectly hold any shares of the Company.
 22. Our Company has Seven (7) shareholders, as on the date of this Prospectus.
 23. Our Company has re-valued its assets during the financial year 2012- 13 to reflect its fair market value. For details please refer chapter “*Other Regulatory and Statutory Disclosures*” on page no. 171 of this Prospectus
 24. Our Company has not made any public issue (including any rights issue to the public) since its incorporation.

25. Shareholding Pattern of the Company

The following is the shareholding pattern of the Company as on the date of this Prospectus:

Category (I)	Category of Share- holder (II)	No. of Share-holder (III)	No. of fully paid-up equity shares held(IV)	No. of Partly paid-up equity shares held (V)	No. of shares Underlying Depository Receipts (VI)	Total Nos. Shares held (VII) = (IV) + (V) + (VI)	Share holding as a % of total No. of Shares (calculated As per SCRR, 1957)(VIII)As a % of (A+B+C2)	Number of Voting Rights held in each Class of securities (IX)				No of Underlying Outstanding Convertible securities(incl. Warrants)(X)	Share Holding as a % assuming Full convertible securities (as a% of Diluted Share Capital)(XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked In shares (XII)		No. of shares Pledged Or Otherwise encumbered (XIII)		No. of Equity shares held in De-mat form (XIV)
								No of voting Right			Total As a %of(A+B+C)			No (a)	As a %of total shares held (b)	No (a)	As a % of total shares held (b)	
								Class-Equity	Class	Total								
(A)	Promoter & Promoter Group	5	37,21,900	-	-	37,21,900	99.78%	37,21,900	-	37,21,900	99.78%	-	99.78%	-	-	-	-	37,21,900
(B)	Public	2	8,100	-	-	8,100	0.22%	8,100	-	8,100	0.22%	-	0.22%	-	-	-	-	-
(C)	Non Promoter Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares Underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	7	37, 30,000	-	-	37, 30,000	100.00%	37, 30,000	-	37, 30,000	100.00%	-	100.00%	-	-	-	-	37,21,900

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

Sr. No.	Particulars	No. of Shares	% of Shares Pre-Issue Share Capital
1	Nil	Nil	Nil
	Total	Nil	Nil

SECTION IV – PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

The objectives of the fresh issue are primarily to raise capital for the business and operational requirements of our Company:

- Working Capital Requirements
- General Corporate Purposes
- Issue related expenses

Also, the listing of our Equity Shares on the SME Exchange, we believe, would provide liquidity to our shareholders, enhance our visibility and better our brand name.

Issue Proceeds & Net Proceeds

The details of the proceeds of the Issue are set forth in the table below:

Particulars	Amount (₹ in lakhs)
Gross Proceeds from the Issue	416.00
Less: Issue related Expenses	52.00
Net Proceeds from the Issue	364.00

Fund Requirements

The fund requirements described below are based on internal management estimates and our Company's current business plan and have not been appraised by any bank, financial institution.

The net proceeds of the Issue are to be utilized as shown below:

Sr. No.	Particulars	Amount (₹ in lakhs)
1	Working Capital Requirement	281.85
2	General Corporate Purposes	82.15
TOTAL		364.00

Means of Finance

The entire fund requirements are to be financed from the Net Issue Proceeds, and there is no requirement to make firm arrangements of finance under Regulation 4(2)(g) of the SEBI Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the Issue.

The fund requirement and deployment is based on internal management estimates and have not been appraised by any bank or financial institution. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may, subject to compliance with applicable laws and regulations, also include rescheduling the proposed utilization of Issue Proceeds and increasing or decreasing expenditure for a particular object *vis-à-vis* the utilization of Issue Proceeds.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable or in case of cost overruns, we expect that the shortfall will be met from internal accruals and/or entering into funding arrangements as required. Any variation in the objects of the Issue shall be undertaken in accordance with the terms of the Companies Act and the rules framed there under.

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 / Bridge Loans and in such case the Funds raised shall be utilized towards repayment of Unsecured Loans or recouping of Internal Accruals. However, we confirm

that except as mentioned below no unsecured / bridge financing has been availed as on date for the above mentioned objects, which is subject to being repaid from the Net Issue Proceeds.

For further details on the risks involved in our proposed fund utilization as well as executing our business strategies, please see the section titled “*Risk Factors*” beginning on page no. 10 of this Prospectus.

DETAILS OF THE FUND REQUIREMENTS

1. Working Capital Requirements:

Working Capital Cycle:

Our business is of manufacturing Packaged Drinking Water. Accordingly we have acquired machinery for the production of PET Bottles and purification and mineralisation of Drinking Water. These products in varied package size are delivered to our sole Customer “Bisleri International Pvt. Ltd.”.

Our business operations are working capital intensive as well as capital intensive. We have over the last few years investing substantial capital in building long term assets for the business and developing our infrastructure capabilities. As on March 31, 2017; out of the total ₹ 277.34 lakhs of our owned funds, we have invested majorly in long term assets and hence, we have availed Cash Credit from the Bank to fulfill our working capital requirement. Further our revenues and working capital requirements have been growing at a fast pace. It is hence our strategy to raise funds from this issue and augment our fund based working capital capabilities.

Our business is categorized by maintaining a reasonable inventory in order to meet the requirement of Bisleri International Pvt Ltd. Further, we expect increase in the working capital requirements; since our focus is on expansion of our production capacity and business operations. With expansion of business, we expect levels of inventory to rise to meet the demands of our customer. Further, in order to improve profitability, we shall be reducing credit period demanded from suppliers.

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

(₹ in lakhs)

Sr. No.	Particulars	Holding Levels (days)	For Fiscal 2016-17	Holding Levels (days)	For Fiscal 2017-18
I.	Current Assets:				
1.	Inventories	36	80.39	63	183.39
2.	Trade Receivables	23	50.60	45	154.11
	Total Current Assets (A)		130.99		337.50
II.	Current Liabilities				
1.	Trade Payables	48	70.26	25	55.65
	Total Current Liabilities (B)		70.26		55.65
III.	Total Working Capital Gap (A – B)		60.73		281.85
IV.	Funding Pattern:				
1.	Cash Credit from Bank		60.73		-
2.	Owned Funds/ Internal Accruals		-		-
3.	Part of the Net proceeds to be utilised		-		281.85

Notes:

- We have not considered Other Current Assets comprising of Statutory Balances with the Government authorities and Other Current Liabilities comprising of statutory payments, since the same are not directly linked to our working capital needs.
- Our Company has a sanctioned Cash Credit limit from HDFC Bank; however; due to high interest rate; we propose to not utilise these limits going forward in order to improve profitability. For further details of the above mentioned sanction Cash Credit, please refer to “*Financial Indebtedness*” on page no. 160 of this Prospectus.

Hence, our Company proposes to utilise ₹ 281.85 lakhs of the Net Proceeds towards working capital requirements for meeting our future business requirements.

Justification for “Holding Period” levels

Trade Receivables	Our Company has a sole customer “Bisleri International Pvt. Ltd.”; hence we provide a short credit period of 23 days. However, going ahead, knowing the credit worthiness of our Customer, we believe we will be providing credit period of 30-60 days depending on various factors. Hence we have considered an average of 45 days credit period in the Fiscal 2017-18.
Inventories	Considering our plan of expansion in geographical areas and our production capacities, we believe that we may have to maintain an inventory of approx. 63 days to meet the requirements for wide reach.
Creditors	Our current Trade Payables consists majorly suppliers for Raw Materials and Raw Water suppliers. We make payment to our suppliers once the production is completed for a particular batch, since the testing of the materials received is done at the time of manufacturing and in case of any defects as per the parameters set by Bisleri International Pvt. Ltd., we return the raw materials. However, in order to improve margins, we propose to make the payment to our Trade payables in a time period of 20-30 days. Hence we have considered an average of 25 days credit period in the Fiscal 2017-18.

2. Expenditure for General Corporate Purpose:

We propose to deploy ₹ 82.15 lakhs aggregating to 22.57% of the Net Proceeds of the Issue towards general corporate purposes, including but not restricted to strategic initiatives, partnerships, joint ventures and acquisitions, meeting exigencies which our Company may face in the ordinary course of business, to renovate and refurbish certain of our existing Company owned/leased and operated facilities or premises or towards repayment/ pre-payment of liabilities or towards brand promotion activities or any other purposes as may be approved by our Board.

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 Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

ISSUE RELATED EXPENSES

The expenses for this Issue include lead management fees, underwriting and selling commission, registrar’s fees, advertisement and marketing expenses, printing and distribution expenses, legal fees, SEBI filing fees, bidding software expenses, depository charges and listing fees to the Stock Exchanges.

The details of the estimated Issue expenses are set forth below:

Sr. No.	Particulars	Amount (₹ in lakhs)	% of Total Expenses	% of Total Issue size
1	Issue Management fees including fees to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	35.00	67.31%	8.41%
2	Brokerage and Selling Commission, Underwriting Commission, RTAs and CDPs	2.00	3.85%	0.48%
3	Advertisement, Printing & Stationery, Marketing Expenses, etc.	5.00	9.62%	1.20%
4	Listing Fees, Market Making fees (1 st year), Market Regulatory & Other Expenses	10.00	19.23%	2.40%
Total		52.00	100.00%	12.50%

⁽¹⁾ The SCSBs and other intermediaries will be entitled to a commission of ₹ 50 per every valid Application Form submitted to them and uploaded on the electronic system of the Stock Exchange by them.

⁽²⁾ The SCSBs would be entitled to processing fees of ₹ 25 per Application Form, for processing the Application Forms procured by other intermediaries and submitted to the SCSBs.

⁽³⁾ Further the SCSBs and other intermediaries will be entitled to selling commission of 0.05% of the Amount Allotted (product of the number of Equity Shares Allotted and the Issue Price) for the forms directly procured by them and uploaded on the electronic system of the Stock Exchange by them.

⁽⁴⁾ The payment towards commission and processing fees will be completed within 30 days from the date of receipt of final invoice from the respective entities.

Schedule of Implementation

All of the above two objects are proposed to be utilised in the Financial Year 2017-18.

Funds Deployed

As on the date of this Prospectus, no funds have been deployed on these objects. The entire Issue size is proposed to be deployed in the Financial Year 2017 – 18.

Appraisal and Bridge Loans

The objects have not been appraised by any banks, financial institutions or agency. Also, our Company has not entered into any bridge finance arrangements that will be repaid from the Net Proceeds of the Issue. However, our Company may draw down such amounts, as may be required, from an overdraft arrangement or short term advances in form of director loans or ICDs, to finance any of the above mentioned objects until the completion of the Issue.

Any amount that is drawn down from such bridge financing during this period to finance above mentioned objects will be repaid from the Net Proceeds of the Issue.

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. 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 Utilization of Funds

There is no requirement for a monitoring agency as the Issue size is less than ₹ 10,000 lakhs. Pursuant to Regulation 32(3) of the SEBI (LODR) Regulations, 2015, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far, and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a fiscal, we will utilize such unutilized amount in the next fiscal.

Pursuant to Regulation 32 of the Listing Regulations, our Company shall on half-yearly basis disclose to the Audit Committee the use and application of the Issue Proceeds. Until such time as any part of the Issue Proceeds remains unutilised, our Company will disclose the utilization of the Issue Proceeds under the separate heads in our company's balance sheet(s) clearly specifying the amount of and purpose for which Issue Proceeds have been utilized so far, and details of amounts out of the Issue Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilised Issue Proceeds. In the event that our company is unable to utilise the entire amount that we have currently estimated for use out of Issue Proceeds in a Fiscal Year, we will utilise such unutilised amount in the next financial year. Further, in accordance with Regulation 32(1) (a) of the Listing Regulations of our Company shall furnish to the Stock Exchange on a half yearly basis, a statement indicating material deviations, if any, in the utilisation of the Issue Proceeds for the objects stated in this Prospectus.

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. The notice in respect of such resolution to Shareholders shall simultaneously be published in the newspapers, one in English and one in Regional language of the jurisdiction where our Registered Office is situated. The Shareholders who do not agree to the above stated proposal, our Promoter or controlling Shareholders will be required to provide an exit opportunity to such dissenting Shareholders, at a price as may be prescribed by SEBI, in this regard.

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoter, our Board of Directors, our Key Management Personnel or Group Companies except in the normal course of business and in compliance with applicable law.

BASIC TERMS OF ISSUE

Terms of the Issue

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

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

Authority for the Issue:

The present issue has been authorized pursuant to a resolution of our Board dated May 27, 2017 and by Special Resolution passed under Section 62(1)(C) of the Companies Act, 2013 at an Extra Ordinary General Meeting of our shareholders held with a shorter notice on May 30, 2017.

Other Details

Face Value	The Equity Shares having a face value of ₹ 10 each are being issued in terms of this Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.
Issue Price	The Equity Shares pursuant to this Prospectus are being issued at a price of ₹ 26 each.
Market Lot and Trading Lot	The Market lot and Trading lot for the Equity Share is 4,000 (Four Thousand) and in multiples of 4,000 thereafter; subject to a minimum allotment of 4,000 Equity Shares to the successful applicants.
Terms of Payment	Applications should be for a minimum of 4,000 equity shares and in multiples of 4,000 equity shares thereafter. The entire price of the equity shares of ₹ 26 per share (₹ 10 face value + ₹ 16 premium) is payable on application. In case of allotment of lesser number of equity shares than the number applied, the excess amount paid on application shall be refunded by us to the applicants.
Ranking of the Equity Shares	The Equity Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank <i>pari-passu</i> in all respects including dividends with the existing Equity Shares of the Company. The allottees will be entitled to dividend, voting rights or any other corporate benefits, if any, declared by us after the date of Allotment.

Minimum Subscription

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

If the Issuer does not receive the subscription of 100% of the Issue through this offer document 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 eight days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under section 40 of the Companies Act, 2013.

BASIS FOR ISSUE PRICE

The Issue Price has been determined by our Company in consultation with the Lead Manager on the basis of the key business strengths. The face value of the Equity Shares is ₹ 10 and Issue Price is ₹ 26 per Equity Shares and is 2.60 times of the face value. Investors should read the following basis with the sections titled “Risk Factors” and “Financial Information” and the chapter titled “Our Business” beginning on page nos. 10, 120 and 75 respectively, of this Prospectus to get a more informed view before making any investment decisions. The trading price of the Equity Shares of Our Company could decline due to these risk factors and you may lose all or part of your investments.

Qualitative Factors

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

- ✓ Well Experienced Management
- ✓ Well Established Automated Manufacturing Set-up
- ✓ Strong Association with Bisleri
- ✓ Locational Advantage

For further details regarding some of the qualitative factors, which form the basis for computing the Issue Price, please see “Our Business– Our Strengths” on page no. 75 of this Prospectus.

Quantitative Factors

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

1) Earnings per Share (EPS)

Year ended March 31,	Basic & Diluted EPS (in ₹)	Weight
2017	9.49	3
2016	(1.38)	2
2015	(1.12)	1
Weighted Average	4.10	

Notes:

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

$$\text{Basic EPS (₹)} = \frac{\text{Net Profit / (Loss), as restated, attributable to Equity Shareholders}}{\text{Weighted Average No. of Equity Shares outstanding during the year}}$$

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

$$\text{Diluted EPS (₹)} = \frac{\text{Net Profit / (Loss), as restated, attributable to Equity Shareholders}}{\text{Diluted Weighted Average No. of Equity Shares outstanding during the year}}$$

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

2) Price Earnings Ratio (P/E) in relation to the Issue price of ₹ 26 per share of ₹ 10 each

Particulars	P/E Ratios
P/E ratio based on basic and diluted EPS as at March 31, 2017	2.74
P/E ratio based on basic and diluted weighted average EPS as at March 31, 2017	6.34

3) Return on Net Worth (RoNW)

Year ended March 31	RoNW (%)	Weight
2017	43.29%	3
2016	(9.37)%	2
2015	(8.40)%	1
Weighted Average	17.12%	

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

$$\text{RoNW} = \frac{\text{Net Profit / (Loss), as restated, attributable to Equity Shareholders}}{\text{Net Worth excluding Preference Share Capital}}$$

4) Minimum Return on Net Worth (RoNW) after Issue needed to maintain the Pre-Issue Basic & diluted EPS for the period ended March 31, 2017 (based on Restated Financials) at the Issue Price of ₹ 26 is 64.14%.

5) Net Asset Value (NAV)

Financial Year	NAV (in ₹)
NAV as at March 31, 2017	8.49
NAV after Issue	14.80
Issue Price	26.00

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

$$\text{NAV} = \frac{\text{Net Worth excluding Preference Share Capital}}{\text{Outstanding No. of Equity Shares at the end of the year}}$$

6) Comparison with Industry peers

We believe that there is no other listed company which is specifically comparable to us w.r.t our business model, size and financials.

The Company in consultation with the Lead Manager believes that the issue price of ₹ 26 per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the Risk Factors and Financials of the company including important profitability and return ratios, as set out in the Financial Statements included in this Draft Prospectus to have more informed view about the investment proposition. The Face Value of the Equity Shares is ₹ 10 per share and the Issue Price is 2.60 times of the face value i.e. ₹ 26 per share.

STATEMENT OF SPECIAL TAX BENEFITS

To,
The Board of Directors,
Seven Hills Beverages Limited
Gat No. 206, Khatwad Phata,
Vill-Pimpalnere, Tal. Dindori,
Nashik - 422 004

Dear Sirs,

Subject: Statement of Possible Special Tax Benefits available to Seven Hills Beverages Limited and its shareholders prepared in accordance with the requirements under Schedule VIII – Clause (VII) (L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (the ‘Regulations’)

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

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

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

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

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

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

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

For Ketan K. Kabra & Associates
Chartered Accountants
(Firm Registration No. 134758W)

C.A. Ketan K. Kabra
Proprietor
Membership No: 148056
Place: Jalgaon
Date: June 01, 2017

ANNEXURE TO THE STATEMENT OF TAX BENEFITS

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

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

A. SPECIAL TAX BENEFITS TO THE COMPANY

NIL

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER

NIL

Note:

1. All the above statements are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
3. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.
4. We have not commented on the taxation aspect under any law for the time being in force, as applicable, of any country other than India. Each investor is advised to consult its own tax consultant for taxation in any country other than India.

For Ketan K. Kabra & Associates
Chartered Accountants
(Firm Registration No. 134758W)

C.A. Ketan K. Kabra
Proprietor
Membership No: 148056
Place: Jalgaon
Date: June 01, 2017

SECTION V – ABOUT THE ISSUER COMPANY

INDUSTRY OVERVIEW

The information in this chapter has been extracted from the websites of and publicly available documents from various sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with this Issue has independently verified the information provided in this chapter. Industry sources and publications, referred to in this chapter, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information.

OVERVIEW OF THE GLOBAL AND INDIAN ECONOMY

Global 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 re-emergence 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)

The table below shows the real GDP growth (Q-o-Q, annulised %) :

	2015: Q2	2015: Q3	2015: Q4	2016: Q1	2016: Q2	2016 (P)	2017 (P)
Advanced Economies (AEs)							
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
Emerging Market Economies (EMEs)							
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
Memo					2015	2016 (P)	2017 (P)
World Output					3.1	3.1	3.4
World Trade Volume					2.7	1.7	1.8 - 3.1

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

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.

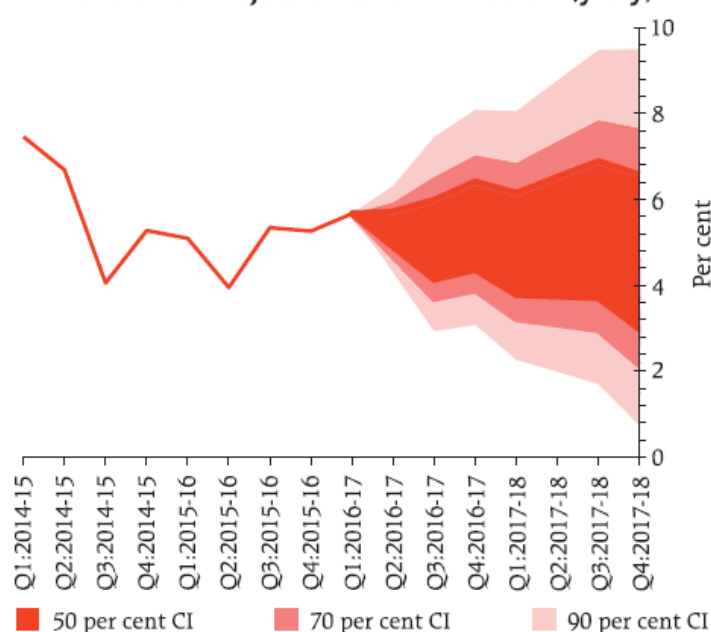
The primary factor underlying the strengthening global outlook over 2017–18 is, however, the projected pickup in EMDEs' growth. As discussed in the October WEO, this projection reflects to an important extent a gradual normalization of conditions in a number of large economies that are currently experiencing 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 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).

Chart I.6: Projection of CPI Inflation (y-o-y)



(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 defence, 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.

India | Economic Forecasts | 2016-2020

Overview	Actual	Q2/16	Q3/16	Q4/16	Q1/17	2020	
GDP Growth Rate	1.70	1.9	1.6	1.7	1.7	1.3	percent
Unemployment Rate	4.90	4.7	5	4.8	4.8	4.6	percent
Inflation Rate	5.76	5.05	4.87	4.64	5.1	3.8	percent
Interest Rate	6.50	6.5	6.5	6.5	6.5	4.75	percent
Balance of Trade	-6272.90	-19200	-19000	-7764	-7826	-10115	USD Million
Government Debt to GDP	67.20	67.87	68.01	68.15	68.69	77.11	percent

(Source: www.ibef.org/economy/indian-economy-overview)

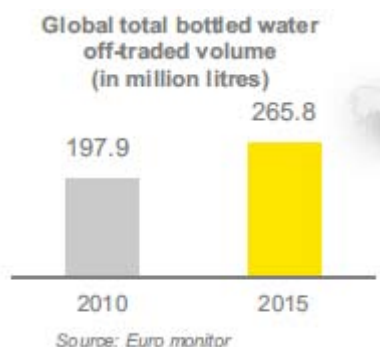
BOTTLED WATER INDUSTRY OVERVIEW

The bottled water market can be segmented by product types, distribution channel and geography. Asia-Pacific is the largest market in terms of revenue and total consumption, accounting for 33% market share. It is also the fastest growing market for bottled water, covering more than one-thirds of the total market demand.

The bottled water market is fragmented due to the presence of a large number of private label brands and local players. The growing demand for thirst-quenching products, health and hygiene concerns, multiple market distribution channels and social acceptance of bottled water are expected to help the market grow at a good pace. Multiple product launches, innovative product packaging, healthy and hygienic products, huge marketing & promotional activities and mergers & acquisitions with smaller level players have been strong business strategies for market growth in the region.

Bisleri International, Natural Waters of Viti Ltd, CR Beverages (Holding) Ltd., Pepsi Co. (Aquafina), Tingyi (Cayman) Holding Corporation, Nongfu Spring Co., Ltd, The Coca-Cola Company, Danone, Hangzhou Wahaha Group Co. Ltd and Nestle Water are the top ten global players in still water category.

Of the key varieties of products available in the market, including still bottled water, flavored bottled water, carbonated bottled water, and functional bottled water, the segment of still bottled water dominates in terms of both revenue and volume. The segment is expected to hold 78.8% and 82.2% in terms of revenue and volume, respectively, of the global market by the end of 2016, and is also expected to remain dominant throughout the forecast period. The vast rise in the global population of health conscious consumers and diabetics is key to the rising demand for still bottled water as this product variety does not contain artificial sweeteners or ingredients.



The total global off traded volume is a combined volume of still bottled water, Functional, Flavored and Carbonated bottled water with still bottle having the maximum share, as seen from the above figure.

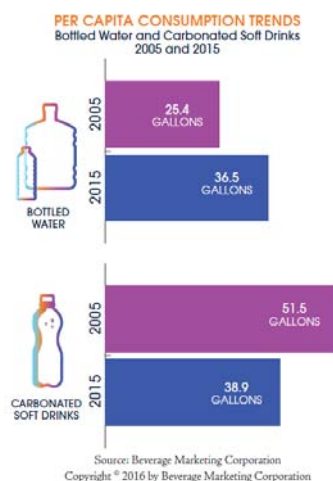
(Source: Government Report on Water Supply- Jan' 2017)

Rising concerns regarding the high sugars in carbonated soft drinks are also shifting the consumer's focus from flavored and carbonated soft drinks to flavored and carbonated bottled water. The segment of carbonated bottled water is presently the second dominant segment of the market and is expected to grow at a healthy pace throughout the forecast period as well. However, the segment of flavored bottled water is expected to register the most promising growth, exhibiting an 8.4% CAGR from 2016 through 2024. The segment of functional bottled water is expected to register a slightly less but equally promising CAGR over the said period.

(Source: <http://www.transparencymarketresearch.com/bottled-water-market.html>)

Developing Economies to Remain Key Growth Drivers

The markets for bottled water in regions such as Asia Pacific, Latin America, and Middle East and Africa are expected to register high growth rates between 2016 and 2024. The bottled water market in Asia Pacific is expected to dominate the global market in terms of market share owing to high demand for bottled water from India and China, Thailand and Indonesia. The region will remain ahead of other regional markets in terms of overall uptake of bottled water owing to the rising per capita consumption of bottled water across urban areas in developing economies. Also, the easy availability of bottled water through well-developed supply chain for bottled water products in the region will enable the bottled water market in the region gain traction.



(Source: July / Aug 2016 – Bottled Water Report)

In terms of value, Asia Pacific accounted for a share of 26.9% in the global bottled water market in 2015 and is expected to account for 31.0% by 2024. In terms of volume too, the bottled water market in Asia Pacific is expected to remain the dominant regional market throughout the forecast period. The bottled water market in Latin America is also expected to witness favorable growth over the forecast period owing to the vast rise in focus of key manufacturers and suppliers of bottled water and an increasing number of manufacturing facilities in the region.

(Source: <http://www.transparencymarketresearch.com/bottled-water-market.html>)

Global Scenario:

Global bottled water market was valued at \$169,863 million in 2015, and is expected to reach \$319,860 million by 2022, expanding at a CAGR of 9.5% during the forecast period 2014 - 2022. Bottled water is packaged drinking water that is purified and free from contamination.

(Source: <https://www.alliedmarketresearch.com/bottled-water-market>)

GLOBAL BOTTLED WATER MARKET Leading Countries' Consumption and Compound Annual Growth Rates 2010 – 2015				
2015		Millions of Gallons		CAGR*
Rank	Countries	2010	2015	2010/15
1	China	10,519.3	20,508.4	14.3%
2	United States	8,756.1	11,738.7	6.0%
3	Mexico	6,949.3	8,081.2	3.1%
4	Indonesia	3,830.5	6,815.6	12.2%
5	Brazil	4,378.7	5,957.4	4.1%
6	India	2,745.3	4,596.3	10.9%
7	Thailand	2,008.3	3,624.0	12.5%
8	Germany	2,913.6	3,100.4	1.3%
9	Italy	2,672.4	2,876.0	1.5%
10	France	2,199.8	2,388.8	1.7%
Top 10 Subtotal		46,973.3	69,064.7	8.0%
All Others		15,332.0	17,928.6	3.2%
WORLD TOTAL		62,305.3	87,013.3	6.9%

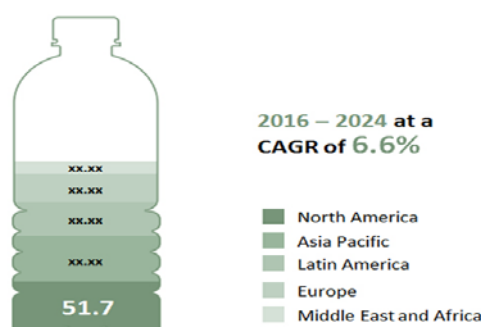
*Compound annual growth rate
Source: Beverage Marketing Corporation
Copyright © 2016 by Beverage Marketing Corporation

(Source: July / Aug 2016 – Bottled Water Report)

The global market for bottled water has gained significant momentum in the past few years, chiefly owing to the increasing global demand for convenient, safer, healthy, and refreshing beverages. Rising concerns regarding the adverse effects of the high-sugar content of carbonated soft drinks and increasing disposable incomes of the population in Asia pacific, Latin America, and Eastern Europe have also significantly contributed to the increasing demand bottled water in the global market.

Transparency Market Research (TMR) offers an 8-year forecast for the global bottled water market between 2016 and 2024. In terms of value, the market is expected to register a CAGR of 6.6% during the forecast period (2016–2024). If the projection holds true, the market will rise from a valuation of US\$169.9 bn to US\$307.2 bn by 2024.

Global Bottled Water Market Revenue By Region, 2015 (US\$ Bn)

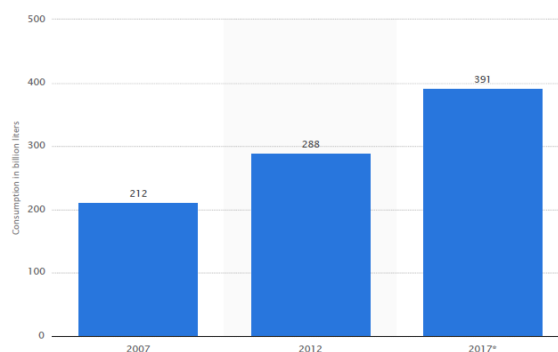


Source: Transparency Market Research Analysis, 2016

(Source: <http://www.prnewswire.com/news-releases/bottled-water-market---global-industry-analysis-size-share-growth-trends-and-forecast-2016---2024-300376997.html>)

Bottled Water Consumption world-wide from 2007 – 2017 (in billion litres)

The timeline given below shows the consumption of bottled water worldwide in 2007 and 2012, and provides a forecast of 2017.

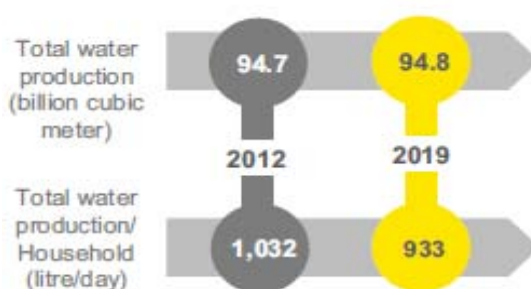


(Source: <https://www.statista.com/statistics/387255/global-bottled-water-consumption/>)

Indian Scenario:

Packaged bottled water industry is segmented into two parts; Packaged drinking water and Natural mineral water. The packaged bottled water industry in India is currently valued at INR 60 bn (~USD 1billion) in FY 2013 and has been growing at ~15% for the last three years. Value Notes estimates that the industry will be worth approximately INR 160 (~USD 2.67 billion) by FY 2018, growing at CAGR of ~22%. Packaged drinking water, which holds about 85% of the market, is witnessing strong growth owing to various factors such as changes in life.

(Source: <http://www.marketreportsonindia.com/food-beverages-market-research-reports-3273/packaged-bottled-water-market-in-india-2013-2018.html>)



Source: Business Monitoring Intelligence (BMI)

(Source – Government Report on Water Supply- Jan' 2017)

Trends

Bottled water sales increased by 22% in off-trade value terms to reach ₹ 70.4 billion in 2016, while off-trade volume sales rose by 19% to 4.4 billion litres in the same year. Increasing health concerns and the unavailability of clean drinking water continued to be major factors behind the strong growth.

The trend is also now evident in India. With increasing health awareness, consumers are looking for something that adds to their nutritional intake. In India, however, the tipping point may be some distance away. Sodas accounted for close to ₹ 14,000 crore in sales in the year to 2016, while water was ₹ 3,000 crore markets, internal industry sources estimated, adding that this excludes bulk packaged water.

(Source: <http://economictimes.indiatimes.com/industry/cons-products/food/bottled-water-market-growing-faster-than-carbonated-drinks-in-india-mirroring-global-trend/articleshow/53714636.cms>)

Government Legal Rules on Packaged Drinking Water

The government of India issued the following news release through the Ministry of Consumer Affairs, Food & Public Distribution: “No person is authorized to manufacture, sell or exhibit for sale, packaged drinking water and packaged mineral water except under Bureau of Indian Standards Certification Mark. As per the Quality Control Order issued under Prevention of Food Adulteration (PFA) Rules, 1955, Bureau of Indian Standards has formulated the following Indian Standards which provide quality norms for packaged water:

- IS 14543:2004 Packaged drinking water (other than natural mineral water)
- IS 13428: 2005 Packaged natural mineral water

BIS Standards

This standard covers the requirements for raw materials, dimensional and performance requirements and methods of tests for plastic containers except flexible pouches, for packaging of natural mineral water (IS 13428) and packaged drinking water (IS 14543).

(Source: <http://www.standardsbis.in/Gemini/scoperef/SR15410.pdf>)

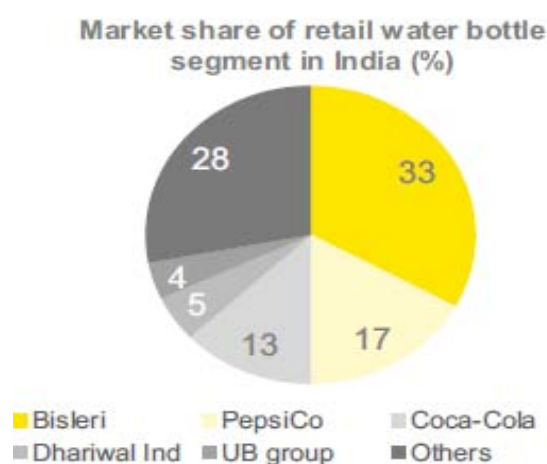
IS : 14543 -(Specification for Packaged Drinking Water) prescribes the hygienic practices to be followed in respect of collecting water, its treatment, bottling, storage, packaging, transport, distribution and sale for direct consumption , so as to guarantee a safe, hygienic and wholesome product.

(Source: <http://www.indiawaterportal.org/sites/indiawaterportal.org/files/Presentation%20by%20Sania%20Akhtar%20CIPET.pdf>)

Competitive Landscape

Parle Bisleri Ltd continued to lead bottled water in 2016 with an off-trade value share of 24%. The company focuses mainly on the manufacture and distribution of bulk water, targeting the supply of bulk bottled water to homes and institutional environments such as offices. The company enjoys first-mover advantage in bottled water and its leadership in the category can be attributed mainly to its widespread distribution network and the strong connection of its brand with its customer base. As Parle Bisleri Ltd was the first company to launch the bottled water in India, its Bisleri brand is perceived as synonymous with bottled water among many Indian consumers. India's top bottled water brands are Ramesh Chauhan's

Bisleri, PepsiCo's Aquafina and Coca-Cola's Kinley. Coca-Cola relaunched global water brand Bonaqua in May.

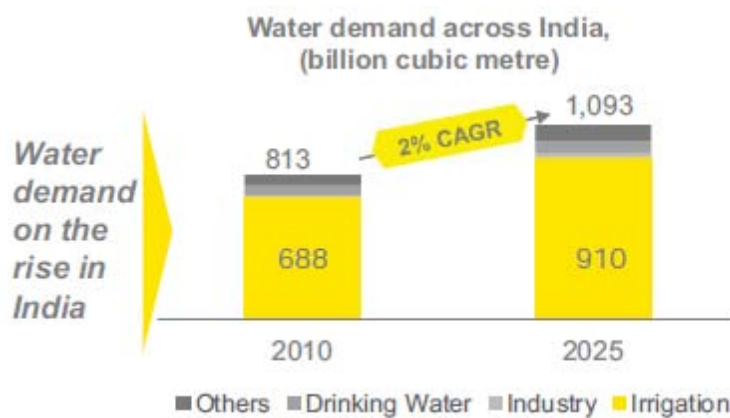


Parle Bisleri Ltd maintains its lead in Indian bottled water market, as seen from the above figure.

(Source: Government Report on Water Supply- Jan' 2017)

Prospects:

Bottled water is predicted to record an off-trade value CAGR of 16% at constant 2016 prices to reach INR 150.8 billion in 2021, with off-trade volume sales increasing at a CAGR of 20% to reach 11.0 billion litres in the same year.
 (Source: <http://www.euromonitor.com/bottled-water-in-india/report>)



Source: Standing Committee of Ministry of Water Resources

The above figure demonstrates water demand across India, which shows a rising trend as per the forecasts.
 (Source: Government Report on Water Supply- Jan' 2017)

OUR BUSINESS

OVERVIEW

Our Company was incorporated as Seven Hills Beverages Private Limited on December 11, 2009 under the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Maharashtra, Pune.

We are engaged in the business of manufacturing packaged drinking water for Bisleri International Pvt. Ltd. We operate as “Co-packers” for “Bisleri” wherein we manufacture the bottles at our plant in order to avoid any possible contaminations and carry out the filling of purified water as well as final sealing and packaging. The water purification process is carried out in multiple stages to ensure that the water is free from all forms of bacteria and is in accordance with the process and standards of Bisleri International Pvt. Ltd and also BSI Manual namely IS 14543 : 2004 for Packaged Drinking Water.

Our manufacturing plant spread across almost 2 acres of owned land is located at Dondori, Nashik in the state of Maharashtra. We have been augmenting the manufacturing capacities of this plant from time to time and the plant has a current installed capacity of 32,85,000 boxes (with each box consisting of 12 bottles each). This makes us a strong partner for “Bisleri” in meeting the requirements of packaged drinking water supply in Nashik and areas nearby such as Shirdi, Aurangabad etc. For details of our past capacity utilisations please refer “*Our Business – Capacity and Capacity Utilization*” on page no. 83 of this Prospectus.

Our product “packaged drinking water” is available in 5 pack sizes: 250 ml bottles, 500ml, 1 litre, 2 litre and 20 litre jars. For details, please refer to “*Our Business –Product Portfolio*” on page no. 78 of this Prospectus. We use advanced machinery and production techniques for all the manufacturing activities like bottle manufacturing, water treatment, packaged drinking water (ozonated) etc. We have an in-house testing and quality control system having fully automatic and semi-automatic testing machines, under proper quality control and strict supervision. Our in-house testing facilities are as per the general industry standards. For details, please refer to “*Our Business - Testing and Quality Control*” on page no. 82 of this Prospectus.

Recently, we have acquired 50.49% strategic stake in Palwe Pest Control Private Limited. (“PPCPL”), making it as our subsidiary company. PPCPL is a service provider, rendering pest control and other related services not only to Central and State Govt. organization but also to all types of companies in Public, Private and Semiprivate sectors, as well as various trusts and other social organizations and also households. We expect to achieve benefits in form of capital appreciation from these investments, improvement in our financial results (as per “Subsidiary accounting”) as well as future synergies if any.

PPCPL has been in this business since more than 16 years and is a recognized brand in services such as General Pest Control Treatment, Birds Control Treatment, Landscaping services, Termite proofing treatment, Interior treatment, Rodent Control, new gel treatment for all types of cockroaches and Export Fumigation to Vessel and Container. PPCPL provides quarantine and pre-shipment fumigation of export commodities in bulk, liner, chartered vessels and sea-going containers at all ports and Inland Container Depots (ICD’s). For details, please refer to “*Our Business - Our subsidiary company*” on page no. 79 of this Prospectus.

Our revenue from operations has grown at a CAGR of 9.14 % from ₹ 675.03 lakhs in 2015 to ₹ 804.12 lakhs in 2017. Further our Operating profits (EBIDTA) has grown at CAGR of 189.96 % from ₹ 59.14 lakhs in 2015 to ₹ 213.42 lakhs in 2017. Our company has declared its first after tax profit in FY 2017 at ₹ 137.09 lakhs.

Our Strengths

Well Experienced Management

Our company is being led by Mr. Sandeep Palwe and Mr. Nayan Palwe who took over the management of this Company in the year 2013. Our promoters have over the years worked on the production efficiency and the overall management of the factory and are instrumental in improvement in our financial and operating numbers. Further our company has employed suitable technical and support staff to manage key areas of operations. For further details of the educational qualifications and experience of our Senior Management Team and our Key Managerial Personnel please refer the chapter titled “*Our Management*” beginning on page no. 100 of this Prospectus.

Well Established Automated Manufacturing Set-up

Our manufacturing process and the final product confirms to the BIS Manual namely IS 14543: 2004 for Packaged Drinking Water (Other Than Packaged Natural Mineral Water) and the standards and process of Bisleri International Pvt. Ltd. PET Bottles for packaged drinking water manufactured at our factory are tested as per Bureau of Indian Standards and accredited by Bisleri International Pvt. Ltd. We follow stringent quality standards in our factory to ensure that our products meet required BIS standards, Bisleri International Pvt. Ltd standards. These standards ensure the quality consistency of the manufactured product and the process of manufacturing. We have an in-house testing and quality control mechanism having fully automatic testing machines, chemical laboratory operated by skilled operators, under proper quality control and strict supervision. Our in-house testing facilities includes various tests like Drop Testing, Pin-Hole Testing, Closure Leakage Testing, Handle Strength Testing, and Testing for odour, color, taste, Turbidity and ingredients like TDS, Potential of Hydrogen (pH). We believe that this consistency in quality standards and compliance with industry practices will help us ensure continued relationship with reputed players in the industry.

Strong Association with Bisleri

Bisleri is one of the leading international companies with a global presence. We have been associated with Bisleri since 2010 and believe that our strong relationship with Bisleri International Pvt. Ltd is one of our key strengths. Our operations benefit from our long association with Bisleri International Pvt. Ltd, including access to modern technology, operational know-how, industry best practices, access to raw materials and equipment at competitive prices. We source high quality raw materials from suppliers that are pre-approved by Bisleri. Our key employees also attend management and staff development programs organized by Bisleri. We believe that this relationship with Bisleri helps us ensure regular operating business and future possibilities of increasing capacity utilizations.

Locational Advantage

Our manufacturing facility is located at Gat No. 206, Khatwad Phata, Village Pimpalnere, Tal. Dindori, Nashik – 422 004. This location is approximately 10 kms away from main Nashik City and hence acts as a key partner for Bisleri in meeting the requirements of packaged drinking water at Nashik and surrounding districts. There is no other manufacturing partner for Bisleri within the Nashik Region of Maharashtra and we believe that this region has a growing population and urban culture thereby increasing demand for our products and hence we should be able to take benefits of such locational advantage in the future as well.

Our Strategies

Reduce our debt burden and increase fund based capabilities

Being a young and growing organization we have proposed to reduce our debt levels and also increase our fund based working capital capabilities by raising equity funds through this issue. We believe that being well capitalized and low debt company will help us create shareholder value in the short and long term. For further details of our working capital requirements and related explanations please see “*Objects of the Issue*” beginning on page no. 57 of this Prospectus.

Grow our business by capitalizing on brand strength of Bisleri.

Bisleri International Pvt. Ltd is one of the major players in the economy for packaged drinking water. We continue to focus on growing our sales, since the packaged drinking water segment in India is highly fragmented and provides significant growth opportunities. Further we continue to, by expanding our distribution reach, and focus on increasing consumption volumes. In addition, consistent with Bisleri’s marketing and product strategy, we manufacture products in smaller packages to target the semi-urban and rural markets in India. “Bisleri” is a globally established brand in packaged drinking water and we believe that our continued association with Bisleri International Pvt. Ltd will enable us grow our business operations.

Continue to focus on cost efficiencies and invest in technology to improve operational efficiency

We continue to invest in increasing our operational efficiency throughout the organization. We are addressing the increase in operational output through continuous process improvement, consistent quality and technology development. Alignment of our people to ‘process improvement’ through change management and upgrading of skills as required for customer satisfaction is a continuous activity and we envision to become a strong partner for Bisleri by concentrating on these elements.

Increase our Geographical reach

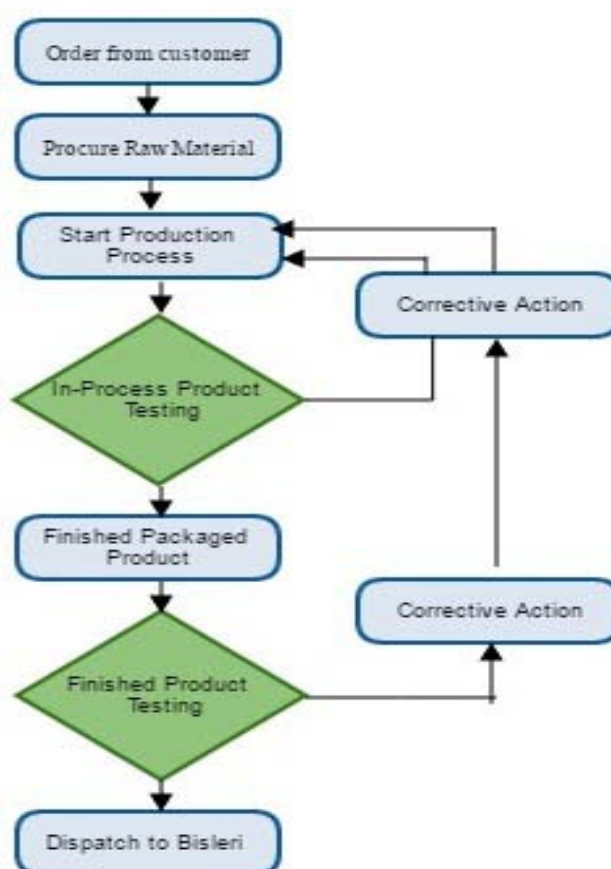
Currently our products are mainly available in Nashik City, Shirdi and Aurangabad. However; since we have adequate installed capacities we propose to increase our product reach to other nearby districts such as Ahmednagar, Jalgaon and Dhule. We believe that increasing our geographical reach will help improve our margins as well as brand recall.

Explore possibilities of inorganic growth in the future

Our company believes in organic as well as inorganic growth. In line with this belief we have recently acquired 50.49% stake in PPCPL a pest control related services company and making it as our subsidiary company. We intend to continue to explore such opportunities in the future such as increasing our stake in PPCPL or acquiring stake in newer businesses with relevant synergies or capital appreciation possibilities.

DETAILS OF OUR BUSINESS

Current Business Model



Our Company receives pack-wise monthly production plan from our customer “Bisleri International Pvt. Ltd” for manufacturing of packaged drinking water as per their requirement. Accordingly, we plan the production shift wise and date wise for meeting the required quantity. Based on the production quantity, we procure raw materials from Bisleri authorized vendors, which are inspected on the basis of its specifications for quality assurance. We produce Finished Packaged Drinking Water under the supervision of Bisleri and as per water mineralization formula of Bisleri, also complying with the standards of BIS. The product is tested and inspected at various stages of manufacturing to ensure the quality standards and other parameters set by BIS Manual namely IS 14543: 2004 for Packaged Drinking Water (Other Than Packaged Natural Mineral Water). The Finished Product meeting all the quality parameters is ultimately dispatched to Bisleri International Pvt. Ltd on daily basis.

Location

Our registered office and factory is located at Gat No. 206, Khatwad Phata, Village - Pimpalnere, Tal. Dindori, Nashik-422 004. The factory is constructed on the land owned by the company.

Our Company and our subsidiary Palwe Pest Control Private Limited share a common corporate office located at 302 Divine Tej, Thatte Nagar, College Road, Nashik- 422 005.

Plant and Machinery

Our infrastructure is very robust. We have nearly 2 acres of plot; carrying an ultramodern engineered factory of 17,600 sq feet floor space.

We have installed an advance structure of machinery, starting from the process of stretch blowing of performs into the mould acquiring the shape of a bottle and further fully packaged drinking water along with printing and packaging. Also we have robust machinery for water purification, as per the water mineralization requirements by Bisleri International Pvt. Ltd and BIS Manual.

The Plant and Machinery required for the production of Packaged Drinking water are acquired from the local vendors. The list of Plant and machinery used by us for the whole process of manufacturing is as follows:

Sr. No.	Name of the Machine	Purchased from
1.	Compressed Air Systems ASD-47	Kaessar Compressor
2.	Pet Blow Machine	Shyam Plastic Machinery
3.	Rinsing Machine	Hilda Automation
4.	Labeling with Glu Injector	Hilda Automation
5.	20 Ltr Jar Machine	Hilda Automation
6.	RO Plant Fully Automated	Zen Engineering
7.	Taping Machine	Zen Engineering
9.	Storage Tank For Raw Water 10000 Cap	Hera Roto
10.	Water & Glycol Chiller	Cosmic Refrigerator
11.	Bottling Conveyer	Samarathan Enterprise
12.	Lab Equipment For Testing	A. M. Ozonics
13.	Ozonator 350 and 150	A. M. Ozonics
14.	Manual Forklift	Local Buyer
15.	Micron Filters	Canton Laboratory

Our Products and Services

Our Products

Our products are manufactured under the brand name of Bisleri. The bottles are made using performs, which go through a blowing process where the bottles attain the desired shapes and sizes. These bottles are used for filling the purified water and are then mechanically sealed and packaged. The drinking water is packaged in 5 different pack sizes: 250 ml bottles, 500 ml, 1 litre, 2 litre and 20 litre jars as per the production schedule given by Bisleri International Pvt. Ltd on monthly basis. The finished products are dispatched on daily basis.



20Ltr Jar



2Ltr



1Ltr



500 M.L.



250 M.L.

Sales Mix

The percentage of Sale contributed by each of our product for the year ended March 2017 is given as under:

Product Type	Sales Amount	% of Total Sales
1 litre bottle	5,87,75,048	73.09%
2 litre bottle	3,06,092	0.38%
20 litre Jar	41,21,200	5.13%
500 ml bottle	1,32,10,310	16.43%
250 ml bottle	39,99,701	4.97%
Total	8,04,12,351	100.00%

Our Company is committed to focus on consistency in quality standards and focus on cost efficiencies to improve operational efficiency. Our Company evaluates the needs of its customer and provides tailor made solutions to suit their need.

Our associate provides services relating to Pest Control, fumigation etc., which provides the customers to manage and operate in pest-free zone enabling them to have a quality environment around. Our associate specializes in providing comprehensive range of services across various sections of customers including household, corporates, offices, import-export products etc. The services are delivered after proper training of the employees and with stringent health and safety measures.

Our subsidiary company - PPCPL:

Our subsidiary company, Palwe Pest Control Pvt Ltd. (PPCPL) is a member of Indian Pest Control Association (IPCA). PPCPL is registered and recognized by both Government of Maharashtra as well as Government of India. PPCPL is a holder of registration certificate as fumigation agency. PPCPL is also granted accreditation of fumigation agency along with Accreditation Number assigned by Directorate of Plant Protection Quarantine & Storage. PPCPL is ISO 9001:2000 and ISO 14001:2004 certified Company.

PPCPL is a service provider, rendering pest control and other related services not only to Central and State Govt. organization but also to all types of companies in Public, Private and Semiprivate sectors, as well as various trusts and other social organizations and also households

Major services offered by our Subsidiary company include:

1. General Pest Control Treatment:

The service aims at controlling crawling insect pest like cockroaches, red/black ants, centipede etc and is carried out by focusing on all possible harboring & breeding places including kitchen/ stores/ offices/ societies etc, both from inside & outside.

Pest Control Treatment Services includes treatment for Getting Rid of Cockroaches Service (GRCS), Menace Manager Rodents Control (MMRC) service, Bed Bug Buster Service (BBBS), Intelligent Fly Management Service (IFMS), Mosquito Management Service (MMS), Terminator Termites Control (TTC) service, Woods Saver Service (WSS) etc.

2. Bird Control Service:

Bird Control Service includes Anti Perching Pigeon Spikes, Narrow Pigeon Spikes, Chimney Pot Bird Spikes, Stainless Pigeon Spikes etc. Anti-Perching spikes are used for protecting all bird roosting sites such as gutters, pipes, window sills, ledges, TV aerials, signs, chimney stacks and roofs. Narrow Pigeon Spikes is ideally suited for protecting narrow spaces. Chimney Pot Bird Spikes is a control measure over many types of bird. Stainless Pigeon Spikes is an anti-perch pigeon spikes meant for protecting areas against roosting birds

3. *Fumigation Service :*

Despite of ensuring all precautionary measures to protect the food grain, packing material, or various articles from insect pest infestation, there can be infestation by insects. In order to control this, fumigation is the best process for controlling this infestation.

It includes Fumigation services relating to Vessel and Containers meant for exporting. Fumigation service is provided for imported products and warehouses also. PPCPL also provides quarantine and pre-shipment fumigation of export commodities in bulk, liner, chartered vessels and sea-going containers at all ports and Inland Container Depots (ICD's).

Fumigation Certificate is issued to declare the products pest free. This fumigation certificate issued by PPCPL is accepted in all parts of world. The entire process is monitored as per the guidelines of the respective country in order to comply with the regulation as per global standard.

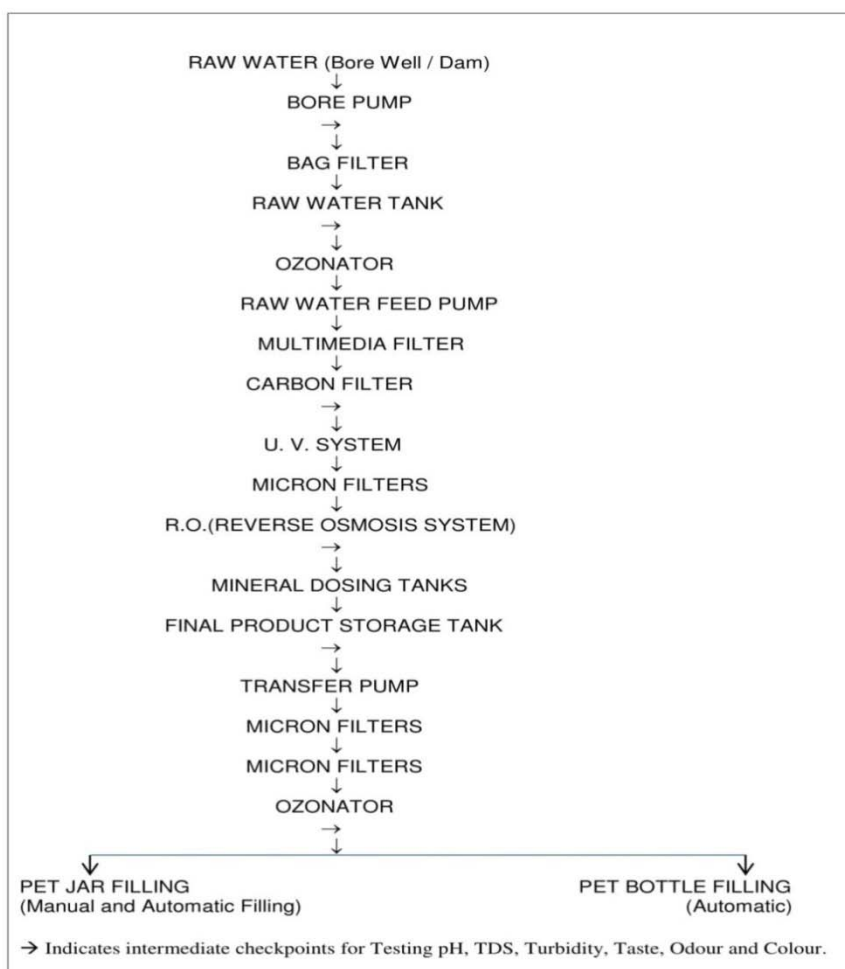
4. *Garbage Collection:*

Garbage is collected from households and corporate offices and ultimately dumped as per the instructions of Nashik Corporation.

PPCPL has qualified technical staff and trained associates for providing all the above services in timely and most economical & equally effective manner without compromising quality. We conduct periodical training sessions for our associates for upgrading their skills.

Manufacturing Process

(A) Finished Packaged Drinking Water:



Following treatment steps are involved in the manufacturing process for water purification:

Raw Water → Raw Water Storage Tank → Raw Water Feed Pump → dosing system 1 & 2 → Pressure Sand Filter → Activated Carbon Filter → Micron Cartridge Filter High Pressure Pump → Reverse Osmosis → Ozone generator and re circulation → Finished Water Storage → U.V System → Filling and Packing → Visual Examination → Storage for testing → Forwarding to Bisleri International Pvt. Ltd.

Water Purification and Mineralization Process:

The water is drawn from Bore Well line or other acceptable sources. This water is collected in the raw water storage tank from where it is transferred to pressure sand filter, where the impurities of raw water are removed. From pressure sand filter, the water is transferred to multimedia filters and activated carbon filter where organic impurities are removed, through raw water feed pump. After removal of the impurities, it then goes to dosing system. In the dosing system, antiscalent is used for the softening of the water and also preventing the blockage of the pipe. From dosing system, water is then passed through Micron Cartridge Filters (MCF). This filter removes the micron particles from the water. Water from MCF goes to Reverse Osmosis (R.O) System through High Pressure Pump. R.O. removes 90-95% of dissolved solids. R.O System consists of 3 pipes i.e. 12 membranes, through which water purification process is carried out. Further the purified water is passed through Mineral Dosing tanks, where the necessary minerals are added to the water as per the specific formula of Bisleri.

The finished water is then passed into Storage Tank. Finished water from R.O. system is stored in S.S made storage tank. The tank is provided with the Man Hole so that the tank can be cleaned from the inside. This tank is used as ozone circulation tank. The ozone is passed to this tank for disinfections. Water from S.S. tank is passed through MCF to U.V. disinfection system, where the bacteria are in activated. Water is then finally filled in cleaned and packed into rinsed containers manufactured by us in different sizes and packs as required by Bisleri International Pvt. Ltd.

Micron Cartridge Filter



Reverse Osmosis Plant



(B) Containers

PET Stretch Blowing Process-



Stretch blow moulding is the common method for producing bottles. The process begins with an injection moulded perform. This perform is typically heated above its glass transition temperature and blown, using high pressure air, into the bottles. The performs are then stretched in the axial direction and blown into its final shape by a stretch blow moulding machine, operated by a computerized and fully automated electronic control system. The blown bottle is then passed through the Rinsing Machine, which is internally connected in the same Machinery. The Rinsing Machine is used for subsiding the temperature of the bottle and cleaning the outer surface and inner surface of the bottle. The bottles are filled with the mineralized water and caps are placed on the neck of the bottle. The machinery basically

consists of 3 processes – Heating of Performs, moulding performs into the shape of the bottle, rinsing and finally water filled bottle sealed with caps.

Printing and Labeling Process:



The filled up bottles are passed through printing machinery, wherein the details are printed on the manufactured bottles. The details printed on the plastic bottle are: Batch No, Manufacturing date, MRP, Net volume, best for consumption upto, and our initials “SH” (i.e Seven Hills Beverages Ltd). The bottles are further passed through labeling with glue injector Machine, wherein the Bisleri labels are glued to the bottles via automatic process.

Packaging of the Drinking Water Bottles:

After the above process, the bottles are inspected and tested as per all the quality and quantity parameters as per the Bisleri International Private Limited standards and BIS Standards and finally the filled bottles are packed into the corrugated boxes manually and ultimately the boxes are taped with the automatic taping machine and the details are printed on the corrugated boxes like the quantity of the bottles, MRP etc.

Raw Materials

For the production of Packaged Drinking Water for Bisleri, we purchase raw materials and ingredients from authorized Bisleri vendors, which have been reviewed and pre-approved by Bisleri International Pvt. Ltd, and relevant regulatory agencies responsible for Packaged Drinking Water. Our raw material requirements include ingredients required for manufacture of bottles, purification of water, as well as processing aid materials and packaging and labeling materials. The pricing of the raw materials is pre-determined by Bisleri.

The key ingredients and raw materials required for the production include Raw Water, Minerals, Performs, etc. Processing aid materials are used in cleaning-in-place, machinery lubrication, water testing in the labs. Processing aid materials are indirect materials but are required to complete processing cycle. Packaging materials include Plastic Caps, Labels, Corrugated Boxes, BOP Tape, Handles.

Testing and Quality Control

We maintain high standards for quality control and have fully automatic machines being operated by skilled operators under proper quality control and strict supervision from internal and external departments. We have in house remedial measures carried out on continuous basis for efficient working of the machinery.

We conduct stringent quality control tests at each level of the manufacturing process starting from the procurement of Raw Materials to the final product manufactured. The Raw Materials are verified manually every time before unloading on sample basis. The carrier is also inspected for ensuring the quality and hygiene conditions of the vehicle carrying the raw materials. The raw water and the storage tanks are inspected twice a month. Finished water is tested every hour for the water parameters to be maintained as prescribed by Bisleri International Pvt. Ltd and BIS. Also one sample of packaged drinking water bottle from each batch is stored, in case of any product complaints from the market.

In order to ensure conformity of containers used for Packaged Drinking Water, water portability etc, tests are conducted from outside approved labs. Also certain tests which cannot be covered in-house labs, like requirements of Pesticide Residues and Radio Active Residues are tested from outside approved lab. We maintain records of in-house and outside approved labs as per the instructions of BIS.

Chemical and Bio Lab

We have our own Chemical labs and Bio labs in the factory premises for carrying out the continuous quality control tests. We have stringent test facilities as required by BIS and Bisleri International Pvt. Ltd. Also, we periodically check our testing apparatus for maintaining the quality standards.

Performs are tested to ensure that there are no pin holes before they are passed through the bottle moulding process. Bottles are visually inspected for any leakage/ pin whole and suspended matter, cap placement on the neck of the bottle, water filling heights, proper labeling and correct printing of batch number and other details, once the bottles are passed for packing in the boxes.

We have also installed a state of the art, where we drop the bottles filled with water from particular height and angle as required, to verify the leakage of the bottles.

We conduct three monthly in-house audits for remedial measures. Further every 3 months audit is conducted by Bisleri International Pvt. Ltd and yearly audits are conducted by FSSI and BSI at the factory premises to ensure the quality standards and hygiene conditions.



Marketing Strategy

We have entered into a contract with Bisleri International Pvt. Ltd, and have a dedicated Plant and Machinery for its manufacturing. As per the mutual understanding, we produce Packaged Drinking Water for Nashik, Shirdi, Aurangabad & other nearby areas of Maharashtra. We ensure effective service to our sole customer Bisleri International Pvt. Ltd and also assure just in time delivery. Bisleri being our sole customer, we are not engaged in any other marketing activities.

Capacity and Capacity Utilization

Our company currently has an installed capacity of manufacturing 32.85 lakh Boxes (equivalent to 394.20 lakh Bottles) of Packaged Drinking Water on an annual basis. The actual production capacity is 12.25 lakh Boxes. We have storage capacity of 4.68 lakhs ltrs for purified and mineralized water as per the mineralization formula of Bisleri. We manufacture approximately 1 lakh cases each month, but during the season i.e. summers when the water demand is at a very high level, the production capacity exceeds 150% of the utilized capacity. We normally work in two shifts in order to meet the production requirements and in summers we work in three shifts at times.

Installed Capacity & Utilized Capacity for last 3 years of Packaged Drinking Water

Bottles manufactured	For the Financial Year		
	2016-17	2015-16	2014-15
Installed Capacity (Boxes/ p.a)	32,85,000	32,85,000	26,28,000
Actual Production (Boxes/ p.a)	12,25,000	11,70,000	11,00,000
Utilised Capacity (%)	37.29%	35.62%	41.86%

Proposed capacity and capacity utilization:

Bottles manufactured	For the Financial Year		
	2017-18	2018-19	2019-20
Installed Capacity (Boxes/ p.a)	32,85,000	32,85,000	32,85,000
Utilised Capacity(Boxes/ p.a)*	18,72,000	23,40,000	24,96,000
Utilised Capacity (%)	56.99%	71.23%	75.98%

**The Company expects to substantially increase its utilization capacity after receiving IPO proceeding.*

Utilities

Power

The company's present power requirement is through a dedicated supply line from Maharashtra State Electricity Distribution Co. Ltd, which provides us with the power upto sanctioned load of 250 KW. We get the required power quality throughout the year and there is no voltage variation resulting in the machines working without any interruption.

Water

The potable water used for production of packaged drinking water is derived either from Borewell or other acceptable sources. We have an informal arrangement with two Bore-well suppliers to provide water on regular basis. In addition our company has received an approval letter from relevant government / semi government authority for lifting of 0.0651 m cum raw water from Palked Dam, subject to fulfillment of other conditions. However; till date we have not required the need to use this facility.

Treatment of Residual Water:

The purified water is passed through the R.O. system, and where the Total Dissolved Solids (TDS) level of water is not as per the specific formula of Bisleri, the residual water is let out through a separate drainage pipe connected with the R.O. System. This residual water is ultimately used in the following ways:

- It is stored in the tank located in our factory premises, which is ultimately used for the purpose of cleaning the bathroom/ factory and used for watering the plantation.
- It is let out in the pit that is dug in the factory premises, wherein the water is soaked by the barren land and we have also dug borewell

Export and Export Obligation

Our Company does not have any export obligations as on the date of this Prospectus, as we are neither importing nor exporting any material.

Health Safety and Environment

We are subject to applicable environmental and other regulatory restrictions by BIS for packaged drinking water, in which we operate. In addition, we have adopted Bisleri's stringent environmental standards and its stringent control procedures, wherein we maintain the proper hygienic conditions in the factory premises including the staff, along with the maintenance of Plant and Machinery.

We continue to ensure compliance with applicable health and safety regulations and other requirements in our operations. We have to also ensure waste minimization with respect to our usage of raw materials, consumption of energy and discharge of water.

Collaborations

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

Intellectual Property Rights

We are authorized, allowed and permitted by the "Bisleri International Pvt. Ltd" to use their Trade Mark "BISLERI" on the products manufactured by us as per the specific formula given by the Bisleri of the Trademark. The right, title, interest and ownership of the said Trade Mark is owned by the Bisleri.

Our corporate logo is currently unregistered. Our company shall be making efforts to register the same in FY 2017-18.

Awards and Achievements

We have received certification for Quality and Production Assurance in the year 2012-13 from Bisleri International Pvt. Ltd. We have received these quality certifications, confirmed through annual audits conducted by independent consultants of Bisleri International Pvt. Ltd. Further we have also received Certificate of Appreciation in May 2014 from Bisleri International Pvt. Ltd and we were also awarded as the best Associates in the Year 2014.

Human Resource

Following are the category wise number of employees on our Company's payroll as on July 31, 2017:

Sr. No.	Category	No. of Employees
1.	Executive Directors	2
2.	Key Managerial Persons	2
3.	Other Staff and Workers	12
Total		16

We conduct training programs for our team for better results. We also intend to conduct/ participate with advance training programs.

Competition

There is competition in packaged drinking water under different brands, since packaged drinking water segment is highly fragmented in India. The key brands with which our products would compete for sales and shelf space are "Aquafina", "Bailey", "Himalaya", and "Evian" among other smaller brands. With respect to "Bisleri" alone; we believe that we face lesser competitive pressures as there is no other manufacturing with such a tie-up with "Bisleri" in the Nashik region.

As per the agreement with Bisleri International Pvt. Ltd, we are the main suppliers for meeting the requirements of Nashik, Shirdi, Aurangabad and other near-by areas of West Maharashtra. In case of non-fulfillment of the water supply, Bisleri International Pvt. Ltd can acquire the packaged drinking water bottles from other suppliers. However; we believe that we have enough unutilized capacity currently to ramp up operations if demand increases substantially in the region.

Properties

Our registered office and manufacturing plant is located at Gat No. 206, Khatwad Phata, Vill - Pimpalnere, Tal. Dindori, Nashik – 422 004, which is owned by us.

The details of this freehold property are as below:

Sr. No	Location of the property and area	Date of Agreement	Seller	Purpose	Purchase Consideration
1.	Gat No. 206, Khatwad Phata, Vill- Pimpalnere, Tal. Dindori, Nashik - 422 004	May 28, 2015	Palwe Family (Part of our current Promoter Group) Sheshadri Family (Part of erstwhile Promoter Group)	Registered Office and Manufacturing Unit	₹ 80,08,598 ⁽¹⁾

⁽¹⁾ Inclusive of Government and other legal expenses

Leasehold Property

The details of this leasehold property are as below:

Sr No	Location of the property and area	Document and Date	Name of the Lessor	Purpose	Amount of Rent
1.	302 Divine Tej, Thatte Nagar, College Road, Nashik- 422 005	May 08, 2017	Palwe Pest Control Pvt. Ltd.	Corporate Office	₹ 7,500 p.m.

Insurance

Our Company generally maintains insurance covering our assets, stocks and operations at levels that we believe to be appropriate. We maintain insurance for standard fire and special perils policy, which provides insurance cover against loss or damage by fire, earthquake, terrorism etc. which we believe, is in accordance with customary industry practices.

Following are the details of the key Insurance Policy availed by us:

Sr. No.	Name of the Insurance Company	Type of Policy	Validity Period	Description of cover under the policy	Policy No.	Sum Insured (₹ in lakhs)	Premium p.a.
1.	HDFC Ergo	Standard Fire and Special Perils Insurance	15/03/2017 to 14/03/2018	Stock & Stock in Process - Shop	2111 2017 1374 2800 000	₹ 160	₹ 35,190

KEY REGULATIONS AND POLICIES

In carrying on our business as described in the section titled “Our Business” on page no. 75 of this Prospectus, our Company is regulated by the following legislations in India. The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this Chapter has been obtained from the various legislations, including rules and regulations promulgated by the regulatory bodies and the bye laws of the respective local authorities that are available in the public domain. The regulations and policies set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. For details of Government Approvals obtained by the Company in compliance with these Regulations, kindly refer to the Chapter titled “Government and Other Key Approvals” beginning on page no. 168 of this Prospectus.

A. INDUSTRY RELATED LEGISLATIONS:

1. The Food Safety and Standards Act, 2006

The Food Safety and Standards Act, 2006 (the “FSS Act”) is the primary legislation in India relating to food and the corresponding safety standards. The FSS Act inter-alia mandates that no food business operator shall himself or by any person on his behalf manufacture, store, sell or distribute any article of food—

- i. which is unsafe; or
- ii. which is misbranded or sub-standard or contains extraneous matter; or
- iii. for which a licence is required, except in accordance with the conditions of the licence; and
- iv. which is for the time being prohibited by the Food Authority or the Central Government or the State Government in the interest of public health.

Section 3(j) of the FSS Act defines ‘food’ and inter-alia includes packaged drinking water within the scope of the definition of ‘food’. Further, every person who carries on food business is required to obtain a license under the FSS Act. The Food Safety and Standards Authority of India (“FSSAI”) has been established under the FSS Act.

The FSSAI has the power to regulate and monitor the manufacture, processing, distribution, sale and import of food so as to ensure safe food. It inter-alia has the power to regulate the quality control of articles of food imported in India, limits on use of additives, metals, drugs and anti-biotics in food, certification of bodies engaged in food safety management systems and food labelling standards. The FSSAI is obliged to provide scientific advice and technical support to the Central Government and the State Governments in framing the policies and rules in areas which have a direct or indirect bearing on food safety and nutrition. The FSS Act also provides power to the Food Safety Officer to enter and inspect any place where articles of food are manufactured, or stored for sale, or stored for the manufacture of any other article of food, or exposed or exhibited for sale and where any adulterant is manufactured or kept, and take samples of such articles of food or adulterant for analysis. Further, any person who whether by himself or by any other person on his behalf manufactures for sale or stores or sells or distributes or imports any article of food for human consumption which is sub-standard, shall be liable to a penalty which may extend to five lakh rupees. The FSSAI has also framed the several rules and regulations relating to food safety and standards with regard to sale, packaging and labelling, analysis, additives and contaminants.

2. Bureau of Indian Standards Act, 2016:

The Bureau of Indian Standards Act, 2016 (“BIS Act”) inter-alia provides for the establishment of a national standards body for the harmonious development of the activities of standardisation, conformity assessment and quality assurance of goods, articles, processes, systems and services. The BIS Act provides for establishment of Bureau of Indian Standards which will formulate, implement and certify certain standards of quality for goods, services, articles, processes and systems. In terms of Regulation 2.3.14 (17) and (18) of Food Safety and Standards (Prohibition and Restrictions on Sales) Regulations, 2011, every person engaged in the manufacturing, selling or exhibiting for selling packaged drinking water or mineral water will be required to obtain Bureau of Indian Standards Certification Mark.

3. **The Micro, Small and Medium Enterprises Development Act, 2006 and Industries (Development And Regulation) Act, 1951**

The Micro, Small and Medium Enterprises Development Act, 2006 (“MSMED Act”) inter-alia provides for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. The Central Government is empowered to classify by notification, any class of enterprises including inter-alia, a company, a partnership, firm or undertaking by whatever name called, engaged in the manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 as: (i) a micro enterprise, where the investment in plant and machinery does not exceed ₹ 25,00,000 (Rupees Twenty Five Lakhs Only) (ii) a small enterprise, where the investment in plant and machinery is more than ₹ 25,00,000 (Rupees Twenty Five Lakh Only) but does not exceed ₹ 5,00,00,000 (Rupees Five Crores Only); or (iii) a medium enterprise, where the investment in plant and machinery is more than ₹ 5,00,00,000 (Rupees Five Crores Only) but does not exceed ₹ 10,00,00,000 (Rupees Ten Crores Only). The MSMED Act inter-alia stipulates that any person who intends to establish, a micro or small enterprise or a medium enterprise engaged in rendering of services, may at his discretion and a medium enterprise engaged in the manufacture or production of goods as specified hereinabove, file a memorandum of micro, small or medium enterprise, as the case may be, with the prescribed authority.

B. LABOUR RELATED LEGISLATIONS:

1. **Factories Act, 1948:**

The Factories Act, 1948 (“the Factories Act”) seeks to regulate labour employed in factories and makes provisions for safety, health and welfare of the workers. The Factories Act defines a factory to cover any premises, which employs ten or more workers and in which manufacturing processes are carried on with the aid of power, and to cover any premises, where there are at least 20 (twenty) workers who may or may not be engaged in an electrically aided manufacturing process. Each State Government has set out rules in respect of the prior submission of plans and its approval for the establishment of factories and registration and licensing of factories. The Factories Act also provides for the mechanisms for safety of certain equipment used in factories, procedures for periodic examination of equipment such as pressure vessels and lifting tackles, regulation of working conditions within the factories and includes specific provisions applicable to women and children employed in factories.

2. **The Employees State Insurance Act, 1948:**

The Employees State Insurance Act, 1948 (“ESI Act”) provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. Employers of factories and establishments covered under the ESI Act are required to pay contributions to the Employees State Insurance Corporation, in respect of each employee at the rate prescribed by the Central Government. Companies which are controlled by the Government are exempt from this requirement if employees receive benefits similar or superior to the benefits prescribed under the ESI Act. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

3. **Employees Provident Fund and Miscellaneous Provisions Act, 1952:**

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

4. **Payment of Gratuity Act, 1972:**

The Payment of Gratuity Act, 1972 provides for payment of gratuity to employees employed in factories, shops and other establishments who have put in a continuous service of 5 (five) years, in the event of their

superannuation, retirement, resignation, death or disablement due to accidents or diseases. The rule of 'five year continuous service' is however relaxed in case of death or disablement of an employee. Gratuity is calculated at the rate of 15 (fifteen) days' wages for every completed year of service with the employer. Presently, an employer is obliged for a maximum gratuity payout of ₹ 10,00,000 for an employee.

5. Payment of Bonus Act, 1965:

Pursuant to the Payment of Bonus Act, 1965, as amended, an employee in a factory or in any establishment where 20 (twenty) or more persons are employed on any day during an accounting year, who has worked for at least 30 (thirty) working days in a year, is eligible to be paid a bonus. Contravention of the provisions of the Payment of Bonus Act, 1965 by a company is punishable with imprisonment upto six months or a fine up to ₹ 1,000 or both.

6. The Maternity Benefit Act, 1961:

The purpose of the Maternity Benefit Act, 1961 is to regulate the employment of pregnant women in certain establishments for certain periods and to ensure that they get paid leave for a specified period before and after childbirth, or miscarriage or medical termination of pregnancy. It inter alia provides for payment of maternity benefits, medical bonus and prohibits the dismissal of and reduction of wages paid to pregnant women.

7. The Payment of Wages Act, 1936:

The Payment of Wages Act, 1936 ("PWA") is applicable to the payment of wages to persons in factories and other establishments. PWA ensures that wages that are payable to the employee are disbursed by the employer within the prescribed time limit and no deductions other than those prescribed by the law are made by the employer.

8. Equal Remuneration Act, 1979:

Equal Remuneration Act, 1979 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith.

9. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

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

10. Child Labour (Prohibition and Regulation) Act, 1986:

The Child Labour (Prohibition and Regulation) Act, 1986 (the "CLPR Act") seeks to prohibit the engagement of children in certain employments and to regulate the conditions of work of children in certain other employments.

11. Industrial Disputes Act, 1947 and Industrial Dispute (Central) Rules, 1957:

Industrial Dispute Act, 1947 and the Rules made there under provide for the investigation and settlement of industrial disputes. The Industrial Disputes Act, 1947 ("IDA") was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the IDA have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond a prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of

their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The IDA also sets out certain requirements in relation to the termination of the services of the workman. The IDA includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, lay-offs and retrenchment.

12. The Employees' Compensation Act, 1923:

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

C. ENVIRONMENT RELATED LEGISLATIONS:

1. Environment Protection Act, 1986:

The Environmental Protection Act, 1986 is an "umbrella" legislation designed to provide a framework for coordination of the activities of various central and state authorities established under various laws. The potential scope of the Act is broad, with "environment" defined to include water, air and land and the interrelationships which exist among water, air and land, and human beings and other living creatures, plants, micro-organisms and property.

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

The Water (Prevention and Control of Pollution) Act, 1974 (**"Water Act"**) provides for the prevention and control of water pollution and the maintaining or restoring of wholesomeness of water, for the establishment, with a view to carrying out the purposes aforesaid, of Boards for the prevention and control of water pollution, for conferring on and assigning to such Boards powers and functions relating thereto and for matters connected therewith. The Water Act defines "pollution" as such contamination of water or such alteration of the physical, chemical or biological properties of water or such discharge of any sewage or trade effluent or of any other liquid, gaseous or solid substance into water (whether directly or indirectly) as may, or likely to create a nuisance or render such water harmful or injurious to public health or safety, or to domestic, commercial, industrial, agricultural or other legitimate uses, or to the life and health of animals or plants or of aquatic organisms. The Water Act envisages establishing a Central Board as well as State Board for Prevention and Control of Water Pollution.

Accordingly, the previous consent of the Board constituted under the Act must be obtained, for establishing or taking steps to establish operation or process, or any treatment and disposal system or any extension or addition thereto, which is likely to discharge sewage or trade effluent into a stream or well or sewer or on land. Such previous consent is required for bringing into use any new or altered outlet for the discharge of sewage or for the new discharge of sewage. If at any place where any industry, operation or process, or any treatment and disposal system or any extension or addition thereto is being carried on, due to accident or other unforeseen act or event, any poisonous, noxious or pollution matter is being discharged, or is likely to be discharged into a stream or well or sewer or on land and, as a result of such discharge, the water in any stream or well is being polluted, or is likely to be polluted, then the person in charge of such place shall forthwith intimate the occurrence of such accident, act or event to the Board constituted under the Water Act and such other authorities or agencies as may be prescribed.

3. Water (Prevention & Control of Pollution) Cess Act, 1977 and Water (Prevention & Control of Pollution) Cess Rules, 1978:

The Water (Prevention & Control of Pollution) Cess Act, 1977 (**"Water Cess Act"**) has been enacted to provide for the levy and collection of a cess on water consumed by persons carrying on certain industries and by local authorities, with a view to augment the resources of the central and state Pollution Control Board for the prevention and control of water pollution constituted under the Water Act. The Water (Prevention & Control of Pollution) Cess Rules, 1978 have been notified under Section 17 of the Water Cess Act and provide, inter alia, for the standards of the meters and places where they are to be affixed and the furnishing of returns by consumers.

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

The Air (Prevention and Control of Pollution) Act, 1981 (“**Air Act**”) provides for the prevention, control and abatement of air pollution, for the establishment, with a view to carrying out the aforesaid purposes of Boards for conferring on and assigning to such Boards powers and functions relating thereto and for matters connected therewith. The Air Act envisages establishing a Central Board as well as State Pollution Control Boards in each State. The Central Board constituted under Water (Prevention and Control of Pollution) Act, 1974, shall, without prejudice to its powers and functions under Air Act, shall also exercise the powers and perform the functions of the Central Board under the Prevention and Control of Air Pollution. Similarly, if in any State, the State Government has constituted for that State, a State Board for the Prevention and Control of Water Pollution, then such State Board shall be deemed to be the State Board for the Prevention and Control of Air Pollution and exercise the powers and perform the functions of the State Board for the Prevention and Control of Air Pollution also. As per the Air Act, no person operating any industrial plant, in any air pollution control area (so declared under Section 19 of the Air Act) shall discharge or cause or permit to be discharged the emission of any air pollutant in excess of the standards laid down by the Board constituted under the Act.

Further, no person shall, without the previous consent of the Board constituted under the Air Act, establish or operate any industrial plant in an air pollution control area. The Air Act further prescribes certain compliances with regard to the reporting and prevention of accidents. Thus, where in any area the emission of any air pollutant into the atmosphere in excess of the standards laid down by the Board constituted under the Act occurs or is apprehended to occur due to accident or other unforeseen act or event, the person in charge of the premises from where such emission occurs or is apprehended to occur shall forthwith intimate the fact of such occurrence or the apprehension of such occurrence to such Board and to such authorities or agencies as may be prescribed by the Air Act.

5. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008:

Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 require that the occupier and the operator of the facility, that treats hazardous wastes, must properly collect, treat, store or dispose the hazardous wastes without adverse effects on the environment.

D. TAX RELATED LEGISLATIONS:

1. Central Goods and Services Tax Act, 2017

The Central Goods and Services Tax Act, 2017 (“**CGST Act**”) regulates the levy and collection of tax on the intra-State supply of goods and services by the Central Government or State Governments. The CGST Act amalgamates a large number of Central and State taxes into a single tax. The CGST Act mandates every supplier providing the goods or services to be registered within the State or Union Territory it falls under, within 30 days from the day on which he becomes liable for such registration. Such registrations can be amended, as well as cancelled by the proper office on receipt of application by the registered person or his legal heirs. There would be four tax rates namely 5%, 12%, 18% and 28%. The rates of GST applied are subject to variations based on the goods or services.

2. The Central Sales Tax Act, 1956:

The Central Sales tax (“**CST**”) is levied on the sale of moveable goods within India in the course of inter-state trade or commerce and is governed by the provisions of the Central Sales Tax Act, 1956. If the goods move between states pursuant to a sale arrangement, then the taxability of such sale is determined by the CST. On the other hand, the taxability of a sale of movable goods within the jurisdiction of the State is determined as per the local sales tax/Value Added Tax legislation in place within such State.

3. Value Added Tax:

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

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

Maharashtra Value Added Tax Act, 2002 is applicable to the establishments of the Company.

4. Income-tax Act, 1961:

The Income-tax Act, 1961 (“**IT Act**”) is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of the IT Act or Rules made there under depending upon its “Residential Status” and “Type of Income” involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every Company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such Company is also required to file its returns by September 30 of each assessment year.

5. Service Tax:

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

6. Professional Tax:

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority. The Maharashtra State Tax on Profession, Trades, Callings and Employments Act, 1975 is applicable to the Company.

E. OTHER LEGISLATIONS:

1. Transfer of Property Act, 1882:

The transfer of property, including immovable property, between living persons, as opposed to the transfer of property by operation of law, is governed by the Transfer of Property Act, 1882 (“**T.P. Act.**”). The T.P. Act establishes the general principles relating to the transfer of property, including among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. Transfer of property is subject to stamping and registration under the specific statutes enacted for the purposes which have been dealt with hereinafter.

The T.P. Act recognizes, among others, the following forms in which an interest in an immovable property may be transferred:

- Sale: The transfer of ownership in property for a price, paid or promised to be paid.

- **Mortgage:** The transfer of an interest in property for the purpose of securing the payment of a loan, existing or future debt, or performance of an engagement which gives rise to a pecuniary liability. The T.P. Act recognises several forms of mortgages over a property.
- **Charges:** Transactions including the creation of security over property for payment of money to another which are not classifiable as a mortgage. Charges can be created either by operation of law, e.g. decree of the court attaching to specified immovable property, or by an act of the parties.
- **Leases:** The transfer of a right to enjoy property for consideration paid or rendered periodically or on specified occasions.
- **Leave and License:** The transfer of a right to do something upon immovable property without creating interest in the property.

Further, it may be noted that with regards to the transfer of any interest in a property, the transferor transfers such interest, including any incidents, in the property which he is capable of passing and under the law, he cannot transfer a better title than he himself possesses.

2. The Registration Act, 1908:

The Registration Act, 1908 ("**Registration Act**") was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

3. The Indian Stamp Act, 1899:

Stamp duty in relation to certain specified categories of instruments as specified under Entry 91 of the list, is governed by the provisions of the Indian Stamp Act, 1899 ("**Stamp Act**") which is enacted by the Central Government. All other instruments are required to be stamped, as per the rates prescribed by the respective State Governments. Stamp duty is required to be paid on all the documents that are registered and as stated above the percentage of stamp duty payable varies from one state to another. Certain states in India have enacted their own legislation in relation to stamp duty while the other states have adopted and amended the Stamp Act, as per the rates applicable in the state. On such instruments stamp duty is payable at the rates specified in Schedule I of the Stamp Act.

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

4. Maharashtra Stamp Act, 1958:

The Maharashtra Stamp Act, 1958 ("**Maharashtra Stamp Act**") prescribes the different rates of duties on the instrument falling within the various descriptions set-out in Schedule I of the Maharashtra Stamp Act., then the instrument is chargeable with the highest of the duty prescribed. In addition, the Maharashtra Stamp Act also prescribes methodology for adjudication, refund of duties, grievance processes and prosecutions. The Collector is normally vested with the power of adjudication. If a document is not stamped or adequately stamped, it is likely to be impounded.

5. The Indian Contract Act, 1872:

The Indian Contract Act, 1872 ("**Contract Act**") codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

6. The Specific Relief Act, 1963:

The Specific Relief Act, 1963 (“**Specific Relief Act**”) is complimentary to the provisions of the Contract Act and the Transfer of Property Act, as the Act applies both to movable property and immovable property. The Specific Relief Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. ‘Specific performance’ means Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

7. Consumer Protection Act, 1986:

The Consumer Protection Act, 1986 seeks to provide better protection of interests of the consumers and for that purpose to make provision for establishment of consumer councils and other authorities for the settlement of consumer’s disputes and for matters connected therewith. It seeks to promote and protect the rights of consumers.

To provide steady and simple redressal to consumers’ disputes, a quasi-judicial machinery is sought to be set up at the district, state and central levels. The quasi-judicial bodies will observe the principles of natural justices and have been empowered to give relieves of a specific nature and to award wherever appropriate compensation to consumers. Penalties for non-compliance of the orders given by the quasi-judicial bodies have also been provided.

8. Competition Act, 2002:

The Competition Act, 2002 (“**Competition Act**”) aims to prevent anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The Competition Act regulates anti-competitive agreements, abuse of dominant position and combinations. The Competition Commission of India (“Competition Commission”) which became operational from May 20, 2009 has been established under the Competition Act to deal with inquiries relating to anti-competitive agreements and abuse of dominant position and regulate combinations. The Competition Act also provides that the Competition Commission has the jurisdiction to inquire into and pass orders in relation to an anti-competitive agreement, abuse of dominant position or a combination, which even though entered into, arising or taking place outside India or signed between one or more non-Indian parties, but causes an appreciable adverse effect in the relevant market in India.

9. Companies Act, 1956 and Companies Act, 2013:

The Companies Act, 2013 (“**Companies Act**”), has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Companies Act deals with laws relating to companies and certain other associations. The Companies Act primarily regulates the formation, financing, functioning and winding up of companies. The Companies Act prescribes regulatory mechanism regarding all relevant aspects, including organizational, financial and managerial aspects of companies. It deals with issue, allotment and transfer of securities and various aspects relating to company management. It provides for standard of disclosure in public issues of capital, particularly in the fields of company management and projects, information about other listed companies under the same management, and management perception of risk factors.

10. The Trademarks Act, 1999:

Under the Trademarks Act, 1999 (“**Trademarks Act**”), a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A ‘mark’ may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trade mark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The trademark, once applied for and which is accepted by the Registrar of Trademarks (“the Registrar”), is to be advertised in the trademarks journal by the Registrar. Oppositions, if any, are invited and, after satisfactory adjudications of the same, a certificate of registration is issued by the Registrar. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is 10 (ten) years, which may be renewed for similar periods on payment of a prescribed renewal fee.

F. REGULATIONS REGARDING FOREIGN INVESTMENT

Foreign investment in beverage and packaged drinking water manufacturing companies is governed by the provisions of the FEMA read with the applicable regulations. The Department of Industrial Policy and Promotion (“DIPP”), Ministry of Commerce and Industry has issued ‘Consolidated FDI Policy Circular 1 of 2016’ (“FDI Policy”) which consolidates the policy framework on Foreign Direct Investment (“FDI”), with effect from June 07, 2016. The FDI Circular consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP till June 7, 2016. All the press notes, press releases, clarifications on FDI issued by DIPP till June 06, 2016 stand rescinded as on June 07, 2016. Vide an Office Memorandum dated June 05, 2017 (“Office Memorandum”), issued by Ministry of Finance, Department of Economic Affairs the Government of India has abolished Foreign Investment Promotion Board (“FIPB”).

Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. Subsequent to the abolition of FIPB, the work of granting government approval for foreign investment under the FDI Policy and FEMA Regulations has now been entrusted to the concerned Administrative Ministries/Departments. FDI for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Where FDI is allowed on an automatic basis without the approval of the Government, the RBI would continue to be the primary agency for the purposes of monitoring and regulating Foreign Investment. In cases where Government approval is obtained, no approval of the RBI is required except with respect to fixing the issuance price, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company.

The RBI, in exercise of its power under the FEMA, has also notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. The FDI Policy issued by the DIPP does not prescribe any cap on the foreign investments in the sector in which the Company operates. Therefore, foreign investment up to 100% is permitted in the Company under the automatic route. No approvals of the FIPB or the RBI are required for such allotment of equity Shares under this Issue. The Company will be required to make certain filings with the RBI after the completion of the Issue. RBI has also issued the Master Circular on Foreign Investment in India dated July 01, 2015. The aforesaid Master Circular on Foreign Investment will continue to remain valid until Master Directions are issued in that behalf. In terms of the Master Circular, an Indian company may issue fresh shares to persons resident outside India (who are eligible to make investments in India, for which eligibility criteria are as prescribed). Such issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. As mentioned above, the Indian company making such Issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as Seven Hills Beverages Private Limited on December 11, 2009 under Companies Act 1956 with Registrar of Companies, Pune bearing Registration No.135147. The status of our Company was changed to public limited and the name of our Company was changed to Seven Hills Beverages Limited vide Special Resolution dated April 10, 2017. The fresh certificate of incorporation consequent to conversion was issued on May 26, 2017 by the Registrar of Companies, Pune. Further, we have shifted our Registered Office from Pune to Nashik and have received a revised Corporate Identification Number as U15500MH2009PLC296411 vide certificate dated June 21, 2017 by the Registrar of Companies, Mumbai.

We are engaged in the business of manufacturing packaged drinking water for Bisleri International Pvt. Ltd. We operate as “Co-packers” for “Bisleri” wherein we manufacture the bottles at our plant in order to avoid any possible contaminations and carry out the filling of purified water as well as final sealing and packaging. The water purification process is carried out in multiple stages to ensure that the water is free from all forms of bacteria and is in accordance with the process and standards of Bisleri International Pvt. Ltd and also BSI Manual namely IS 14543 : 2004 for Packaged Drinking Water.

Our manufacturing plant spread across almost 2 acres of owned land is located at Dondori, Nashik in the state of Maharashtra. We have been augmenting the manufacturing capacities of this plant from time to time and the plant has a current installed capacity of 32,85,000 boxes (with each box consisting of 12 bottles each). This makes us a strong partner for “Bisleri” in meeting the requirements of packaged drinking water supply in Nashik and areas nearby such as Shirdi, Aurangabad etc. For details of our past capacity utilisations please refer “*Our Business – Capacity and Capacity Utilization*” on page no. 83 of this Prospectus.

Our product “packaged drinking water” is available in 5 pack sizes: 250 ml bottles, 500 ml, 1 litre, 2 litre and 20 litre jars. For details, please refer to “*Our Business –Product Portfolio*” on page no. 78 of this Prospectus. We use advanced machinery and production techniques for all the manufacturing activities like bottle manufacturing, water treatment, packaged drinking water (ozonated) etc. We have an in-house testing and quality control system having fully automatic and semi-automatic testing machines, under proper quality control and strict supervision. Our in-house testing facilities are as per the general industry standards. For details, please refer to “*Our Business - Testing and Quality Control*” on page no. 82 of this Prospectus.

Recently, we have acquired 50.49% strategic stake in Palwe Pest Control Private Limited. (“PPCPL”), making it as our subsidiary company. PPCPL is a service provider, rendering pest control and other related services not only to Central and State Govt. organization but also to all types of companies in Public, Private and Semiprivate sectors, as well as various trusts and other social organizations and also households. We expect to achieve benefits in form of capital appreciation from these investments, improvement in our financial results (as per “Subsidiary accounting”) as well as future synergies if any.

PPCPL has been in this business since more than 16 years and is a recognized brand in services such as General Pest Control Treatment, Birds Control Treatment, Landscaping services, Termite proofing treatment, Interior treatment, Rodent Control, new gel treatment for all types of cockroaches and Export Fumigation to Vessel and Container. PPCPL provides quarantine and pre-shipment fumigation of export commodities in bulk, liner, chartered vessels and sea-going containers at all ports and Inland Container Depots (ICD’s). For details, please refer to “*Our Business - Our subsidiary company*” on page no. 79 of this Prospectus.

For further details regarding our business operations, please see the chapter titled “*Our Business*” beginning on page no. 75 of this Prospectus

Our Company has Seven (7) shareholders, as on the date of this Prospectus.

MAJOR EVENTS

CALENDAR YEAR	MILESTONE
2009	Incorporation of Company as Seven Hills Beverages Pvt. Ltd.
2010	Agreement with Bisleri International Pvt. Ltd. for production of Packaged Drinking Water
2011	Started the construction of the manufacturing unit at Nashik
2011	First International Delegates visit to the Factory
2011	Commencement of commercial product

CALENDAR YEAR	MILESTONE
2013	Change in Management of our Company, where in “Palwe Family” got majority control
2014	Received Certificate of Appreciation from Bisleri for consistent excellent services
2015	New Machinery was installed, which resulted in increase in the existing capacity
2016	Received MVAT Subsidy for the Machinery installed
2017	Changed the status of our Company from Private to Public i.e. Seven Hills Beverages Limited.
2017	Company has decided to go for IPO for raising funds required for growth of the Company
2017	Acquired 50.49% shares in Palwe Pest Control Private Limited, making it a subsidiary of our Company

MAIN OBJECTS AS PER MEMORANDUM OF ASSOCIATION

The main object of our Company is to carry on the business of manufacture of Beverages, to produce and supply mineral water to hotels, restaurants and other establishments, deal in aerated and mineral water and other drinks.

CHANGES IN REGISTERED OFFICE OF OUR COMPANY

Resolution Date	Address
On Incorporation	Office No. 14, J M Chambers, Nadhe Nagar, Near Panchpeer Chowk, Kalewadi, Pune
May 22, 2017 ⁽¹⁾	Office No. 14, J M Chambers, Nadhe Nagar, Near Panchpeer Chowk, Kalewadi, Pune Gat No. 206, Khatwad Phata, Vill-Pimpalnere, Tal. Dindori, Nashik - 422 004 ⁽²⁾

⁽¹⁾ vide certificate of registration confirming transfer of registered office within the same state dated June 21, 2017

⁽²⁾ Due to typing error from RoC, the pin code of our registered office showing incorrect, our Company is in process of rectifying the same

AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

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

Date	Nature of Amendment
December 01, 2010	Increase in Authorised Capital from ₹ 1,00,000 divided into 10,000 shares of ₹ 10 each to ₹ 1,20,00,000 divided into 12,00,000 shares of ₹ 10 each
May 02, 2016	Increase in Authorised Capital from ₹ 1,20,00,000 divided into 12,00,000 equity shares of ₹ 10 each to ₹ 6,20,00,000 divided into 62,00,000 equity shares of ₹ 10 each
May 26, 2017	Clause I of the Memorandum of Association was altered by inserting the name “Seven Hills Beverages Limited” in place of “Seven Hills Beverages Private Limited”.

SUBSIDIARIES

We have recently acquired controlling interest in Palwe Pest Control Private Limited (PPCPL), thereby making it our subsidiaries.

The details of PPCPL are as below:-

1. PALWE PEST CONTROL PRIVATE LIMITED (PPCPL)

Corporate Information

PPCPL was incorporated under Companies Act, 1956 and Certificate of Incorporation was granted to the Company on April 02, 2001 by the Registrar of Companies, Mumbai, Maharashtra having CIN No. U24117MH2001PTC131465. The registered office is 206/207 Asawari Chambers, College Road, Nasik – 422 005.

Main Objects

To carry on the business of providing various Pest Control Services, and to carry on the business as Manufacturers, Importers, Exporters, Buyers, Sellers, Marketing, Distribution processors and refiners of all types of chemicals organic and inorganic disinfectants, insecticides and pest control devices and equipments.

Board of Directors

- Mr. Sandeep Palwe
- Mrs. Jayashree Palwe
- Mr. Balasaheb Palwe

Capital Structure

Particulars	No. of Equity Shares of ₹ 10 each ⁽¹⁾
Authorised Capital	2,05,000
Issued, Subscribed and Paid-up Capital	2,04,000

⁽¹⁾ Pursuant to EGM held on March 10, 2017, PPCPL has split the Equity Shares of face value ₹ 100 each to Equity Shares of face value ₹ 10 each.

Shareholding Pattern:

Particulars	No. of Shares	% of Total Shares
Our Promoter and Promoter group	1,01,000	49.51%
Our Company	1,03,000	50.49%
Others	Nil	0.00%
Total	2,04,000	100.00%

Financial Information:

The brief financial details of PPCPL derived from its Audited Financial Statements, for Fiscals 2017, 2016 and 2015 are set forth below:

(₹ in lakhs)

Particulars	As at March 31,		
	2017 ⁽¹⁾	2016	2015
Equity Capital	12.00	10.00	10.00
Reserves and Surplus	331.80	158.59	131.74
Income including other income	459.90	482.37	496.92
Profit/ (Loss) after tax	49.21	26.85	26.22
Earnings per share	41.01	268.47	262.20
Net asset value per share	286.50	1,685.90	1,417.44

⁽¹⁾ Pursuant to EGM held on March 10, 2017, PPCPL has split the Equity Shares of face value ₹ 100 each to Equity Shares of face value ₹ 10 each.

Other disclosures:

- The equity shares of PPCPL are not listed on any stock exchange.
- PPCPL is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up. Further PPCPL does not have a negative net worth in the immediate preceding year.
- No application has been made to ROC for striking off the name of PPCPL.
- PPCPL is not prohibited from accessing the capital markets for any reasons by the SEBI or any other authorities.

There are no defaults in meeting any statutory / bank / institutional dues. No proceedings have been initialled for economic offences against the company

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

There is no accumulated profit/ (losses) not accounted for by our Company.

HOLDING COMPANY

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

ACQUISITION OF BUSINESS / UNDERTAKINGS

Other than the acquisition of the Palwe Pest Control Private Limited in the year 2017- 18, our Company has not acquired any other business or undertaken any mergers, amalgamation, revaluation of assets in the last five years.

JOINT VENTURES

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

SHAREHOLDERS' AGREEMENT

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

FINANCIAL PARTNERS

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

STRATEGIC PARTNERS

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

OTHER AGREEMENTS

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

INJUNCTIONS OR RESTRAINING ORDERS

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

OUR MANAGEMENT

Board of Directors:

Our Company has Five (5) Directors consisting of Two (2) Executive Directors, One (1) Non-Executive Non-Independent and Two (2) Non-Executive Independent Directors.

The following table sets forth details regarding our Company's Board of Directors as on the date of this Prospectus:

Sr. No.	Name, Designation, Address, Occupation, Term, Date of Birth and DIN	Nationality	Age	Other Directorships
1	Mr. Sandeep Palwe Managing Director Address: 10, Paranjpe Park, Patil Lane No. 02, College Road, Nashik - 422 005 Date of Appointment as Director: September 30, 2012 Date of appointment as Managing Director: April 10, 2017 Occupation: Business Term: Appointed as Managing Director for a period of five years i.e. till April 09, 2022 DIN: 06393282	Indian	34 Years	<ul style="list-style-type: none"> Palwe Pest Control Private Limited. Galactico Corporate Services Private Limited.
2	Mr. Nayan Palwe Whole Time Director Address: 10, Paranjpe Park, Patil Lane No. 02, College Road, Nashik – 422 005 Date of Appointment as Director: September 30, 2012 Date of appointment as Whole Time Director: April 10, 2017 Occupation: Business Term: Appointed as Whole – Time Director for a period of five years i.e. till April 09, 2022 DIN: 06393325	Indian	27 Years	NIL
3	Mrs. Charushila Lathi Non Executive Non Independent Director Address: Flat No. 701/B, Archit Rututrang, B Appartment, Anandwali, Pipeline Road, Nashik – 422 306 Date of Appointment as Director: March 30, 2017 Date of appointment as Non Executive Non Independent Director: April 10, 2017 Occupation: Services	Indian	31 Years	NIL

Sr. No.	Name, Designation, Address, Occupation, Term, Date of Birth and DIN	Nationality	Age	Other Directorships
	Term: Liable to retire by rotation. DIN: 07777751			
4	Mr. Pavan Chhatrishia Non Executive Independent Director Address: Survey 902 / Plot No. 51, Bhanuvilla Bungalow, Chetana Nagar, Nashik- 422 009. Date of Appointment as Non Executive Independent Director: April 10, 2017 Occupation: Business Term: Appointed as Non Executive Independent Director for a period of five years i.e. till April 09, 2020 DIN: 07772841	Indian	31 Years	<ul style="list-style-type: none"> Kordial Modular Systems Private Limited.
5	Mr. Sandeep Avhad Non Executive Independent Director Address: Lokamanya Nagar, Ganagapur Road, Maharashtra Probhodhan Seva Mandal, Nashik - 422 002 Date of Appointment as Non Executive Independent Director: April 10, 2017 Occupation: Business Term: Appointed as Non Executive Independent Director for a period of five years i.e. till April 09, 2020 DIN: 07780515	Indian	36 Years	NIL

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

Notes:

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

BRIEF BIOGRAPHIES OF OUR DIRECTORS

Mr. Sandeep Palwe

Mr. Sandeep Palwe, aged 34 years is Managing Director and also the Promoter of our Company. He has completed Bachelor of Science from University of Pune. He has vast business experience. He has been the main guiding force behind the growth and business strategy of our Company. His functional responsibility is developing industry networks for further business development. He has significant industry experience and has been instrumental in the consistent growth of our Company's performance.

Mr. Nayan Palwe

Mr. Nayan Palwe aged 27 years is Whole Time Director and also the Promoter of our Company. He has an experience of over 4 years in the field of water package industry. His functional responsibility involves handling the overall production activity of the Company.

Mrs. Charushila Lathi

Mrs. Charushila Lathi aged 31 years is Non Executive Non Independent Director of our Company and also the Promoter of our Company. She has completed Master of Business Administration in Marketing from Sapkal Knowledge Hub and Bachelor of Technology in Biotechnology from Padmashree Dr. D. Y. Patil University. She has been a part of project of Understanding Retail Store Operations with Big Bazar. Currently, she is working at construction company as executive- public relations.

Mr. Pavan Chhatrishia

Mr. Pavan Chhatrishia aged 31 years is Non Executive Independent Director of our Company. He holds the Masters degree in International Business from University of Sydney. He has experience of more than five years in the field of Home Appliance. As an independent director he is responsible for providing his inputs to ensure the Board follows the required compliances and rules. He has also provided his expertise in the operations and workings of the Company.

Mr. Sandeep Avhad

Mr. Sandeep Avhad aged 36 years is Non Executive Independent Director of our Company. He has completed Bachelor of Science from University of Pune. He has vast experience in the field of Financial Planning, Advisory and Banking Sector providing services to individuals, corporate clients and societies, among others. As an independent director he is responsible for providing his inputs to ensure the Board follows the required compliances and rules. He has also provided his expertise in the operations and workings of the Company.

RELATIONSHIP BETWEEN DIRECTORS

None of Directors on our Board are related to each other, except as stated below:

- Mr. Sandeep Palwe is the Brother of Mr. Nayan Palwe
- Mrs. Charushila Lathi is sister of Mr. Nayan Palwe and Mr. Sandeep Palwe.

Borrowing Powers of our Board of Directors

Our Company at its Extra-Ordinary General Meeting held on April 10, 2017 passed a resolution authorizing Board of Directors pursuant to the provisions of section 180 (1)(c) of the Companies Act, 2013 for borrowing from time to time any sum or sums of money from any person(s) or bodies corporate (including holding Company) or any other entity, whether incorporated or not, on such terms and conditions as the Board of Directors may deem fit for the purpose of the Company's business. The monies so borrowed together with the monies already borrowed by our Company (apart from temporary loans obtained from the banks in the ordinary course of business) may exceed the aggregate of the paid up share capital of our Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of such borrowings together with the amount already borrowed and outstanding shall not, at any time, exceed ₹ 25.00 crores.

REMUNERATION OF EXECUTIVE DIRECTORS

Mr. Sandeep Palwe, Managing Director

Our Company at its Extra-Ordinary General Meeting held on April 10, 2017 passed a resolution authorizing Board of Directors pursuant to the provisions of section 196-197 of Companies Act, 2013 to approve as and when they deem fit and based on the company's financial stability position to approve a remuneration payable to Mr. Sandeep Palwe not exceeding ₹ 50,000 per month (inclusive of all perquisite) for a period of three year till April 09, 2020.

Remuneration paid to Mr. Sandeep Palwe for FY 2016-17 was Nil

Mr. Nayan Palwe, Whole-Time Director

Our Company at its Extra-Ordinary General Meeting held on April 10, 2017 passed a resolution authorizing Board of Directors pursuant to the provisions of section 196-197 of Companies Act, 2013 to approve as and when they deem fit and based on the company's financial stability position to approve a remuneration payable to Mr. Nayan Palwe not exceeding ₹ 50,000 per month (inclusive of all perquisite) for a period of three year till April 09, 2020

Remuneration paid to Mr. Nayan Palwe for FY 2016-17 was Nil

Compensation of Non Executive Directors and Independent Director

Pursuant to a resolution passed at the meeting of the Board of the Company on May 31, 2017 the Non Executive Directors and Independent Director will be paid ₹ 5,000 per sitting fee for Board and ₹ 2,000 per sitting fees for Committee meetings held.

Remuneration paid to our Non Executive Directors and Independent Director in FY 2016-17 was Nil

Shareholding of Directors

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

Name Of Directors	No. of Equity Shares held	% of Pre-Issue Paid Up Capital
Mr. Sandeep Palwe	11,69,150	31.34%
Mr. Nayan Palwe	7,16,340	19.20%
Mrs. Charushila Lathi	18,34,410	49.18%
Mr. Pavan Chhatrisha	Nil	0.00%
Mr. Sandeep Avhad	Nil	0.00%
Total Holding of Directors	37,19,900	99.72%
Total Paid up Capital	37,30,000	100.00%

Interest of the Directors

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

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

Except as stated in this chapter titled "*Our Management*" and the chapter titled "*Annexure XXIII - Related Party Transactions*" beginning on page nos. 100 and 137 of this Prospectus respectively, our Directors do not have any other interest in our business.

Except as disclosed in "*Properties*" within the section titled "*Our Business*" on page no. 85 of this Prospectus, our Directors have no interest in any property acquired by our Company within two years of the date of this Prospectus.

Further, except as disclosed in “*Properties*” within the section titled “*Our Business*” on page no. 85 of this Prospectus, our Company has not taken any property on lease from our Promoter within two years of the date of this Prospectus.

Changes in our Board of Directors in the last three years

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

Name	Date of Change	Reason
Mr. Pavan Chhatrishia	April 10, 2017	Appointment
Mr. Sandeep Avhad	April 10, 2017	Appointment
Mrs. Charushila Lathi	April 10, 2017	Change in Designation
Mr. Sandeep Palwe	April 10, 2017	Change in Designation
Mr. Nayan Palwe	April 10, 2017	Change in Designation
Mrs. Charushila Lathi	March 30, 2017	Appointment
Mr. Neelkamal Rawat	March 15, 2017	Removal from the Office
Mrs. Varsha Rawat	September 27, 2016	Resignation
Mrs. Bharati Sheshadri	May 31, 2015	Resignation
Mr. Saravanan Sheshadri	May 31, 2015	Resignation
Mr. Neelkamal Rawat	August 16, 2014	Appointment
Mrs. Varsha Rawat	August 16, 2014	Appointment

Corporate Governance

The provisions of the SEBI (LODR) Regulations, 2015 with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the SEBI (LODR) Regulations, 2015, the SEBI Regulations and the Companies Act, in respect of corporate governance including constitution of the Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board’s supervisory role from the executive management team and constitution of the Board Committees, as required under law.

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

Currently, our Board has five (5) Directors. In compliance with the requirements of the Companies Act we have two (2) Executive Directors, one (1) Non Executive Non Independent Director and two (2) Non Executive Independent Directors on our Board. We have a woman director on our Board.

Committees of our Board

We have constituted the following committees of our Board of Directors for compliance with corporate governance requirements:

1. Audit Committee
2. Stakeholder's Relationship Committee
3. Nomination and Remuneration Committee

1. Audit Committee

The Audit Committee of our Board was constituted by our Directors by a board resolution dated May 31, 2017 pursuant to section 177 of the Companies Act, 2013. The Audit Committee comprises of:

Sr. No.	Name	Designation in Committee	Nature of Directorship
1	Mr. Sandeep Avhad	Chairperson	Non-Executive Independent Director
2	Mr. Pavan Chhatrishia	Member	Non-Executive Independent Director
3	Mr. Sandeep Palwe	Member	Managing Director

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

- a) Oversight of the Issuer's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- d) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Qualifications in the Prospectus audit report.
- e) Reviewing, with the management, the half yearly financial statements before submission to the board for approval
- f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Offer Document/Draft Red Herring Prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- h) Approval or any subsequent modification of transactions of the company with related parties;
- i) Scrutiny of inter-corporate loans and investments;
- j) Valuation of undertakings or assets of the company, wherever it is necessary;
- k) Evaluation of internal financial controls and risk management systems;
- l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- n) Discussion with internal auditors any significant findings and follow up there on.
- o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- r) To review the functioning of the Whistle Blower mechanism.

- s) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

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

The Audit Committee enjoys following powers:

- b) To investigate any activity within its terms of reference
- c) To seek information from any employee
- d) To obtain outside legal or other professional advice
- e) To secure attendance of outsiders with relevant expertise if it considers necessary
- f) 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 Audit Committee shall mandatorily review the following information:

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

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

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

Meeting of Audit Committee

The audit committee shall meet at least four times in a year and not more than one hundred and twenty days 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.

2. Stakeholder's Relationship Committee

The Shareholder and Investor Grievance Committee of our Board were constituted by our Directors pursuant to section 178 (5) of the Companies Act, 2013 by a board resolution dated May 31, 2017

The Shareholder and Investor Grievance Committee comprises of:

Sr. No.	Name	Designation in Committee	Nature of Directorship
1	Mr. Pavan Chhatrisha	Chairperson	Non Executive Independent Director
2	Mr. Sandeep Avhad	Member	Non Executive Independent Director
3	Mr. Nayan Palwe	Member	Whole Time Director

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

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

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

Quorum and Meetings

The quorum necessary for a meeting of the Stakeholders Relationship Committee shall be two members or one third of the members, whichever is greater.

3. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of our Board was constituted by our Directors pursuant to section 178 of the Companies Act, 2013 by a board resolution dated May 31, 2017

The Nomination and Remuneration Committee currently comprises of:

Sr. No.	Name	Designation in Committee	Nature of Directorship
1	Mr. Sandeep Avhad	Chairperson	Non Executive Independent Director
2	Mr. Pavan Chhatrisha	Member	Non Executive Independent Director
3	Mrs. Charushila Lathi	Member	Non Executive Non Independent Director

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

- 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;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity

d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

Quorum and Meetings

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

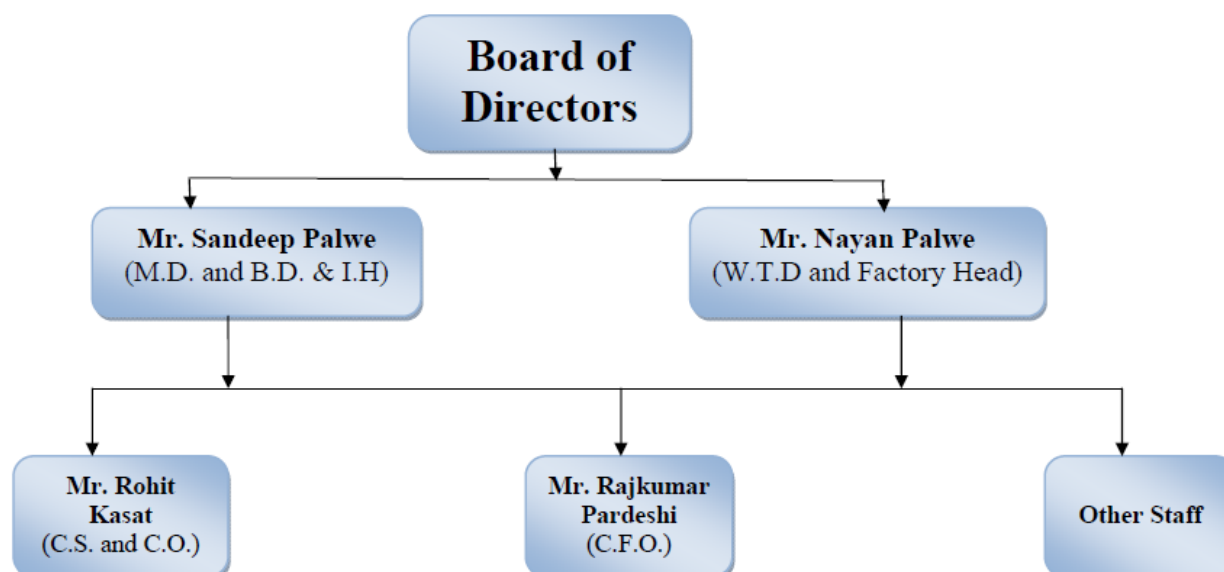
The Company Secretary of our Company acts as the Secretary to the Committee.

Policy on Disclosure and Internal Procedure for Prevention of Insider Trading

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

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

Management Organisation Structure



Terms & Abbreviations

M.D.	- Managing Director
B.D & I.H	- Business Development & New Initiative Head
W.T.D.	- Whole Time Director
C.F.O	- Chief Finance Officer
CS and Co	- Company Secretary and Compliance Officer

Key Managerial Personnel

The following table sets forth the Key Managerial Personnel and their significant details:

Name of Employee	Designation & Functional Area	Date of Appointment/ Change in Designation	Compensation for Last Fiscal Year (₹ in lakhs)	Qualification	Name of Previous Employer(s)	Total years of Experience
Mr. Rohit Kasat	Company Secretary and Compliance Officer	June 01, 2017	Nil	C.S. M. Com	<ul style="list-style-type: none"> Smithers Oasis (India) Pvt. Ltd. S.S. Patki & Associates 	1.5 Years
Mr. Rajkumar Pardeshi ⁽¹⁾	Chief Financial Officer	June 01, 2017	0.17	B.Com	Palwe Pest Control Pvt. Ltd.	10 Years
Mr. Nayan Palwe ⁽²⁾	Factory Head	April 01, 2015	Nil	Undergraduate	-	4 Years
Mr. Sandeep Palwe ⁽³⁾	Business Development & New Initiative Head	April 01, 2015	Nil	B. Sci	-	8 Years

⁽¹⁾ Mr Rajkumar Pardeshi was appointed as an accountant on March 01, 2017

⁽²⁾ Mr Nayan Palwe is Whole Time Director of our Company. For details of his remuneration please refer to Remuneration of Executive Directors - Our Management on page no. 100 of this Prospectus

⁽³⁾ Mr Sandeep Palwe is Managing Director of our Company. For details of his remuneration please refer to Remuneration of Executive Directors - Our Management on page no. 100 of this Prospectus

Other Notes –

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

Also, they are related parties as per the Accounting Standard 18. For details, please see the chapter titled “Financial Statements- Annexure XXIII - Related Party Transactions” on page no. 137 of this Prospectus.

Relationship amongst the Key Managerial Personnel

None of our KMP's of our Company is related to each other as on the date of this Prospectus except as mentioned below:

- Mr. Sandeep Palwe is the Brother of Mr. Nayan Palwe

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

Shareholding of Key Managerial Personnel

None of our KMP's holds any shares of our Company as on the date of this Prospectus except as mentioned below:

- Mr. Sandeep Palwe holds 11,69,150 Equity Shares of our Company.
- Mr. Nayan Palwe holds 7,16,340 Equity Shares of our Company

Interest of Key Managerial Personnel

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

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

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

Loans taken by Key Management Personnel

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

Employee Share Purchase and Employee Stock Option Scheme

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

Payment or Benefit to our Officers

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

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

Except as disclosed below, there has been no change in KMPs in past three years from the date of this Prospectus:

Name of Employee	Designation & Functional Area	Date of Appointment/ Change in Designation
Mr. Rohit Kasat	Company Secretary and Compliance Officer	June 01, 2017
Mr. Rajkumar Pardeshi	Chief Financial Officer	June 01, 2017 ⁽¹⁾
Mr. Nayan Palwe	Factory Head	April 01, 2015
Mr. Sandeep Palwe	Business Development & New Initiative Head	April 01, 2015




⁽¹⁾ Mr Rajkumar Pardeshi was appointed as an accountant on March 01, 2017

OUR PROMOTER AND PROMOTER GROUP

THE PROMOTERS OF OUR COMPANY ARE:

1. Mr. Sandeep Palwe
2. Mr. Nayan Palwe
3. Mrs. Charushila Lathi

The details of our Promoters are provided below:

	Mr. Sandeep Palwe
	PAN: AKHPP4423B
	Passport No.: K1639803
	Driver's License No.: MH1519990042186
	Voter's ID No.: YLV2534964
	Name of Bank & Branch: State Bank of India, Gangapur Road Branch, Nasik
	Bank A/c No.: 30041806496
	Mr. Nayan Palwe
	PAN: AWYPP3045Q
	Passport No.: H4378204
	Driver's License No.: MH1520080040012
	Voter's ID No.: AIU2125839
	Name of Bank & Branch: State Bank of India, Gangapur Road Branch, Nasik
	Bank A/c No.: 30862856423
	Mrs. Charushila Lathi
	PAN: AKGPP3490D
	Passport No.: J9156142
	Driver's License No.: N.A.
	Voter's ID No.: AIU2125821
	Name of Bank & Branch: State Bank of India, Gangapur Road Branch, Nasik
	Bank A/c No.: 30036017045

For additional details on the age, background, personal address, educational qualifications, experience, positions / posts, other ventures and Directorships held in the past for our Individual Promoter, please see the chapter titled "Our Management" beginning on page no. 100 of this Prospectus.

For details of the build-up of our Promoter's shareholding in our Company, please see "Capital Structure –Notes to Capital Structure" on page no. 48 of this Prospectus.

Other Undertakings and Confirmations

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

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

No violations of securities laws have been committed by our Promoters in the past or are currently pending against them. None of our Promoters are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

Interests of Promoters

None of our Promoters / Directors have any interest in our Company except to the extent of compensation payable / paid, rents on properties owned by their relatives but used by our company and reimbursement of expenses (if

applicable) and to the extent of any equity shares 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 chapters titled “*Capital Structure*”, “*Financial Information*” and “*Our Management*” beginning on page nos. 47, 120 and 100 of this Prospectus.

Except as stated otherwise in this Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business.

For Further details on the related party transaction, to the extent of which our Company is involved, please see “*Annexure XXIII - Statement of Related Party Transaction*” on page no. 137 of this Prospectus.

Change in the Management and Control of our Company

Mr. Sandeep Palwe, Mr. Nayan Palwe and Mrs. Charushila Lathi are not the original promoter of our company, however they currently holds 37,19,900 Equity Shares of our Company, which constitutes 99.72% of our Pre-Issue paid-up share capital. The Post –Issue shareholding of our Promoters will be 69.79%. *For details of the equity share build-up of our Promoters in our Company, please see “Capital Structure –Notes to Capital Structure” on page 48 of this Prospectus.* Further, we confirm that, compliance with SEBI (SAST) Regulations and Listing Agreement was not applicable, since shares of our company were not listed on any Stock Exchange in India at the time of said acquisitions

Common Pursuits of our Group Companies

Save and except as disclosed in the chapter titled “*Group Companies*” beginning on page no. 115 of this Prospectus, there is no Group Companies of our Promoters to undertake activities which are similar to ours and are currently engaged in businesses similar to ours

Companies with which the Promoters has disassociated in the last three years

Our Promoters have not disassociated themselves from any companies, firms or entities during the last three years preceding the date of the Draft Prospectus

Payment of Amounts or Benefits to the Promoters or Promoter Group during the last two years

Except as stated in “*Annexure XXIII – Statement of Related Party Transactions*” on page no. 137 of this Prospectus, there has been no payment of benefits to our Promoters during the two years preceding the date of the Draft Prospectus.

Interest of Promoters in the Promotion of our Company

Our Company is currently promoted by the Promoters in order to carry on its present business. Our Promoters are interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company.

Interest of Promoters in the Property of our Company

Our Promoters have confirmed that they do not have any interest in any property acquired by our Company within two years preceding the date of the Draft Prospectus or proposed to be acquired by our Company as on the date of this Prospectus For details, please the chapter “*Our Business*” on page no. 75 of this Prospectus.

Except as mentioned in this section and the chapters titled “*Capital Structure*”, “*Our Business*”, “*History and Certain Corporate matters*” and “*Annexure XXIII – Statement of Related Party Transactions*” on page nos. 47, 75, 96 and 137 of this Prospectus, respectively, our Promoters do not have any interest in our Company other than as Promoters.

Related Party Transactions

Except as stated in the “*Annexure XXIII – Statement of Related Party Transactions*” on page no. 137 of this Prospectus, our Company has not entered into related party transactions with our Promoters or our Group Companies.

Other Confirmations

Our Company has neither made any payments in cash or otherwise to our Promoters or to firms or companies in which our Promoters are interested as members, directors or Promoters nor have our Promoters been offered any inducements to become directors or otherwise to become interested in any firm or company, in connection with the promotion or formation of our Company otherwise than as stated in the “Annexure XXIII – Statement of Related Party Transactions” on page no. 137 of this Prospectus.

Outstanding Litigation

There is no outstanding litigation against our Promoters except as disclosed in the section titled “Risk Factors” and chapter titled “Outstanding Litigation and Material Developments” beginning on page nos. 10 and 162 of this Prospectus.

OUR PROMOTER GROUP

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

A. Natural Persons who are Part of the Promoter Group

Name of the Promoter	Name of the Relative	Relationship with the Promoter
Mr. Sandeep Palwe	Mr. Balasaheb Palwe	Father
	Mrs. Jayashree Palwe	Mother
	Mrs. Vasanti Palwe	Wife
	Mrs. Charushila Lathi	Sister
	Mr. Nayan Palwe	Brother
	Ms. Ishika Palwe	Daughter(s)
	Ms. Kanak Palwe	
	Mr. Bhimrao Sanap	Wife's Father
	Mrs. Sakubai Sanap	Wife's Mother
	Mr. Pravin Sanap	Wife's Brother
Mr. Nayan Palwe	Mrs. Vaishali Khade	Wife's Sister(s)
	Mrs. Shobha Aghav	
	Mrs. Baby Bodake	
Mrs. Charushila Lathi	Mr. Balasaheb Palwe	Father
	Mrs. Jayashree Palwe	Mother
	Mr. Sandeep Palwe	Brother
	Mrs. Charushila Lathi	Sister
	Mr. Balasaheb Palwe	Father
	Mrs. Jayashree Palwe	Mother
	Mr. Sandeep Palwe	Brother(s)
	Mr. Nayan Palwe	
	Mr. Vipul Lathi	Husband
	Mr. Agneya Lathi	Son(s)
	Mr. Agastya Lathi	
	Mr. Deelip Lathi	Husband's Father
	Mrs. Saroj Lathi	Husband's Mother
	Mr. Vikas Lathi	Husband's Brother

B. Companies / Corporate Entities forming part of the Promoter Group

As per Regulation 2(1)(zb)(iv) of the SEBI (ICDR) Regulations, 2009, the following Companies / Trusts / Partnership firms / HUFs or Sole Proprietorships shall form part of our Promoter Group:

Sr. No.	Name of Promoter Group Entity/Company
1	Galactico Corporate Services Private Limited ⁽¹⁾

⁽¹⁾ Galactico Corporate Services Private Limited was formally known as Amigos Trading and Commerce Private Limited.

OUR GROUP COMPANIES

In addition to our Promoter Group, as specified under the section “*Our Promoter, Promoter Group*” on page no. 111 of this Prospectus, the companies that form part of our ‘Group Companies’ are based on the requirements of the Schedule VIII of the SEBI (ICDR) Regulations, 2009, as amended

Our Group Companies based on the above are:

1. Galactico Corporate Services Private Limited⁽¹⁾

⁽¹⁾ *Galactico Corporate Services Private Limited was formally known as Amigos Trading and Commerce Private Limited.*

FINANCIAL INFORMATION OF GROUP ENTITIES

As per Schedule VIII (IX) (C) (2) of the SEBI (ICDR) Regulations 2009, the financial information of our group companies on the basis of Turnover, are given below:

The details of our Group Companies are set forth below:

1. GALACTICO CORPORATE SERVICES PRIVATE LIMITED (GCSPL)

Corporate Information

GCSPL was incorporated as Amigos Trading and Commerce Private Limited on June 15, 2015 under the Companies Act, 2013 bearing Registration No. 265578 and having its Registered Office in Mumbai. Subsequently, Vide special resolution dated March 16, 2017 the name of the Company was changed to Galactico Corporate Services Private Limited and name changed certificate was issued on April 04, 2017 by the Registered of Companies, Mumbai.

Its registered office is situated at Flat no. 906, Boulevard II, L.B.S Marg, Ghatkopar (West), Mumbai – 400 086. The Corporate Identity Number is U74110MH2015PTC265578

Main Objects

- To carry on the business of Management Consultants, Merchant Bankers and Advisors on all aspects of Corporate Financial and Commercial matters and to act as financial consultants and provide advice, services, consultancy in various fields, general administrative, secretarial, commercial, financial legal, economic, labour, industrial, public relations, scientific, technical, direct and indirect taxation and other levies, statistical, accountancy, quality control and data processing.
- To act as consultants or Investment advisors of any firm, body corporate, association or other undertaking and generally subject as aforesaid, to act as real estate developer and consultants or advisors and to undertake part in the management supervision or control of the business or operation of any person, firm, body corporate, association or other undertaking and, if necessary, for such purpose or purpose to appoint and remunerate any offices of the company, accountants or other experts or agents.
- To take part in the formation, supervision or control of the business operations and any company or undertaking and for that purpose to act as Secretaries, Financial Advisors or Technical Consultants or in any other capacity and to appoint and remunerate any directors, administrators or accountants or other experts or agents.
- To invest, buy, sell, transfer deal in and dispose of any shares, stocks, debentures, whether perpetual or redeemable debenture, debentures, stocks, securities of any Government, Local, Authority, Bonds and Certificates and to provide the business of consultants in all fields for all types of industries or any other items or things required by anybody corporate authority, corporations person, firm or association of persons and to charge fees for such advise and help, whether in India or abroad.

Board of Directors

- Mr. Sandeep Palwe
- Mr. Suyash Chhajed
- Mr. Krishnakumar Jhawar

Interest of our Promoters

Our Promoter and Promoter group hold directly and indirectly 98.44% Equity Shares of this company.

Capital Structure

Particulars	No. of Equity Shares of ₹ 10 each
Authorised Capital	1,25,000
Issued, Subscribed and Paid-up Capital	68,274

Shareholding Pattern:

Particulars	No. of Shares	% of Total Shares
Our Promoter and Promoter Group	68,274	100.00%
Our Company	-	-
Others	-	-
Total	68,274	100.00%

Financial Information:

The brief financial details of GCSPL derived from its Audited Financial Statements, for Fiscals 2016 are set forth below:

Particulars	(₹ in lakhs)
	As at March 31 2016
Equity Capital (F.V ₹ 10)	1.00
Reserves and Surplus	0.02
Income including other income	0.28
Profit/ (Loss) after tax	0.02
Earnings per share	0.20
Net asset value per share	10.20

Other disclosures:

- The equity shares of GCSPL are not listed on any stock exchange.
- GCSPL is neither a Sick Company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.
- No application has been made to ROC for striking off the name of GCSPL.
- GCSPL is not prohibited from accessing the capital markets for any reasons by the SEBI or any other authorities.

There are no defaults in meeting any statutory/ bank/ institutional dues. No proceedings have been initiated for economic offences against the company.

NATURE AND EXTENT OF THE INTEREST OF THE GROUP COMPANIES IN OUR COMPANY

In the promotion of our Company-

None of the Group Companies have any interest in the promotion of our Company.

In the properties acquired by our Company

There are no such properties acquired between the Group Companies.

In transactions for acquisition of land, construction of building and supply of machinery

None of the Group Companies have any interest in our Company in relation to transactions for acquisition of land, construction of building and supply of machinery.

Payment of amount or benefits to our Group Companies during the last two years

Except as disclosed in the section “*Financial Information – Annexure XXIII - Related Party Transactions*” beginning on page no. 137 of this Prospectus, no amount or benefits were paid or were intended to be paid to our Group Companies since the incorporation of our Company except to the extent of their shareholding and the dividend payable, if any and other distributions in respect of the Equity Shares held by them

Common Pursuits of our Group Companies

None of our Group Companies are engaged in the same line of business or have any common pursuits as our Company.

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 XXIII -- Related Party Transactions*” on page no. 137 of this Prospectus.

Sale/purchase between Group Companies (exceeding 10% in aggregate of the total sales or purchases of our Company)

For details, please see the chapter titled “*Financial Statements- Annexure XXIII - Related Party Transactions*” on page no. 137 of this Prospectus.

Defunct Group Companies

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 the Draft Prospectus.

Outstanding Litigations

For details relating to the material legal proceedings involving our Group Companies, see the chapter titled “*Outstanding Litigations and Material Developments*” on page no. 162 of this Prospectus.

Other Confirmations

Our Group Companies have further confirmed that they have not been declared as wilful defaulters and there have been no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them except as stated under chapters “*Risk Factors*”, “*Our Group Companies*” and “*Outstanding Litigations and Material Developments*” on page nos. 10, 115 and 162 of this Prospectus, respectively. Additionally, none of our Group Companies have been restrained from accessing the capital markets for any reasons by the SEBI or any other authorities except as stated under chapters “*Risk Factors*”, “*Our Group Companies*” and “*Outstanding Litigations and Material Developments*” on page nos. 10, 115 and 162 Prospectus, respectively.

CURRENCY, UNITS OF PRESENTATION AND EXCHANGE RATES

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

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

DIVIDEND POLICY

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

There are no dividends declared by our Company since incorporation.

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

SECTION VI - FINANCIAL INFORMATION

FINANCIAL STATEMENTS

REPORT OF THE AUDITORS ON FINANCIAL STATEMENTS

To,
The Board of Directors,
Seven Hills Beverages Limited
Gat No. 206, Khatwad Phata,
Vill-Pimpalnere, Tal. Dindori,
Nashik - 422 004

We have examined Financial Statements and Other Financial Information of Seven Hills Beverages Limited (the 'Company') taking into consideration the terms of reference and terms of our engagement agreed upon with you in connection with the proposed IPO of the Company and the Guidance Note (Revised) on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India.

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

- i. Sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 read with applicable provisions within Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended (hereinafter referred to as the "Act");
 - ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the 'SEBI Regulations') and the related clarifications issued by the Securities and Exchange Board of India ('SEBI'); as amended to date;
 - iii. We have examined the accompanied 'Restated Statement of Profit and Loss' (**Annexure – II**) for the years ended on 31st March 2017, 2016, 2015, 2014 and 2013 and the 'Restated Statement of Assets and Liabilities' (**Annexure – I**) as on those dates, forming Part of the 'Financial Information' dealt with by this Report, detailed below. Both read together with the Significant Accounting Policies and Notes to Accounts (**Annexure – IV & V**) thereon, which are the responsibility of the Company's management. The information have been extracted from the financial statements audited by M/s N Y Deshmukh., Chartered Accountants, for the financial year 2012-13 and 2013-14, by M/s R. Jajoo & Associates, Chartered Accountants, for the financial year 2014-15 and 2015-16 and by M/s Ketan K. Kabra & Associates, Chartered Accountants for the financial year 2016-17, being the Statutory Auditors of the Company for the respective years and is re-audited by us for the financial year ended 31st March 2017, approved by the Board of Directors. We did not carry out any validation tests or review procedures of financial statements for aforesaid financial year audited by previous auditors, upon which we have placed our reliance while reporting.
1. In terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts of Seven Hills Beverages Limited, we, M/s. Bhuta Shah & Co. LLP, Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.
 2. Based on our examination, we further report that:
 - a. The Restated Statement of Assets and Liabilities of the Company as at March 31, 2017, 2016, 2015, 2013 and 2013 examined by us, as set out in **Annexure I** to this examination report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the statement of significant accounting policies in **Annexure IV** and the Notes to Accounts in **Annexure V**..
 - b. The Restated Statement of Profit and Loss of the Company for the financial years ended on March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in **Annexure II** to this examination report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the

statement of significant accounting policies in Annexure IV and the Statement of Adjustments to the audited financial statements in Annexure V.

- c. The Restated Statement of Cash Flows of the Company for the financial years ended March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in **Annexure III** to this examination report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the statement of significant accounting policies in **Annexure IV** and the Notes to Accounts in **Annexure V**.
- d. The Restated Financial Statements have been made after incorporating adjustments for:
 - i. The changes, if any, in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting period /years.
 - ii. Prior period and other material amounts in the respective financial years to which they relate.

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

- e. Such Financial statements do not require any corrective adjustments on account of :
 - i. Other remarks/comments in the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub - section (4A) of section 227 of the act, on financial statements of the company for the financial years ended March 31, 2017, 2016, 2015, 2014, and 2013.
 - ii. Extra-ordinary items that need to be disclosed separately in the accounts requiring adjustments.
3. At the request of the company, we have also examined the following financial information("Other Financial Information") proposed to be included in the offer document prepared by the management and approved by the board of directors of the company and annexed to this report:
 - i) Schedule of Share Capital (Annexure - VI)
 - ii) Schedule of Reserves & Surplus (Annexure - VII)
 - iii) Schedule of Fixed Assets (Annexure - VIII)
 - iv) Schedule of Non Current Investments (Annexure – IX)
 - v) Schedule of Long term Loans and Advances (Annexure – X)
 - vi) Schedule of Inventories (Annexure – XI)
 - vii) Schedule of Trade Receivables (Annexure – XII)
 - viii) Schedule of Cash and Cash Equivalents (Annexure – XIII)
 - ix) Details of Short Term Loans and Advances (Annexure – XIV)
 - x) Details of Other Current Assets (Annexure – XV)
 - xi) Schedule of Long Term Borrowings (Annexure – XVI)
 - xii) Schedule of Short Term Borrowings (Annexure – XVII)
 - xiii) Statement of Trade Payables (Annexure – XVIII)
 - xiv) Schedule of Other Current Liabilities (Annexure – XIX)
 - xv) Schedule of Short Term Provisions (Annexure – XX)
 - xvi) Schedule of Revenue from Operations (Annexure – XXI)
 - xvii) Schedule of Other Income (Annexure – XXII)
 - xviii) Schedule of Related Party Transactions (Annexure – XXIII)
 - xix) Capitalization Statement (Annexure – XXIV)
 - xx) Schedule of Contingent Liability (Annexure – XXV)
 - xxi) Summary of Accounting Ratios (Annexure – XXVI)
 - xxii) Statement of Tax Shelter (Annexure – XXVII)
4. In our opinion, the Restated Financial Statements and the other Financial Information set forth in Annexure I to XXV read with the significant accounting policies and notes to the restated financial statements have been prepared in accordance with section 26 read with applicable provisions within Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 of Companies Act, 2013 and the SEBI Regulations and the Guidance

Note on the reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (ICAI).

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

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

For M/s. Bhuta Shah Co. LLP,
Chartered Accountants
(Firm Registration No. 101474W/W100100)

CA. Sneha Padhiar
Partner
Membership No: 161689

Place: Mumbai
Date: May 31, 2017

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

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
EQUITY AND LIABILITIES					
Shareholder's fund					
a) Equity Share Capital	373.00	101.00	101.00	101.00	101.00
b) Reserves and surplus	(0.33)	(179.87)	(65.84)	(38.96)	58.54
Less: Revaluation Reserves	56.00	69.56	169.68	185.26	203.51
Total Shareholders Fund (Net of revaluation reserve)	316.67	(148.42)	(134.52)	(123.22)	(43.97)
Share Application Money Pending Allotment	-	-	-	74.43	27.00
Non-current liabilities					
a) Long Term Borrowings	17.28	68.83	85.38	142.40	184.80
Total	17.28	68.83	85.38	142.40	184.80
Current liabilities					
a) Short-term borrowings	120.13	391.44	278.41	165.56	70.53
b) Trade payables	70.26	51.64	82.34	188.19	167.74
c) Other Current Liabilities	127.73	53.19	24.61	49.54	60.37
c) Short-term provisions	28.06	-	-	-	-
Total	346.18	496.28	385.37	403.29	298.64
TOTAL	680.13	416.68	339.82	496.89	466.47
ASSETS					
Non - Current Assets					
a) Fixed Assets					
i.) Tangible assets (Net Block)	378.18	398.48	428.83	481.18	544.51
Less: Revaluation Reserves	56.00	69.56	169.68	185.26	203.51
Net Block after adjustment for revaluation reserve	322.18	328.92	259.15	295.92	341.00
b) Non- Current Investments	126.00	-	-	-	-
c) Long term Loans & Advances	30.78	3.83	1.64	2.29	3.14
d) Deferred Tax Assets	12.59	7.70	-	-	-
Total	491.55	340.44	260.79	298.21	344.14
Current Assets					
c) Inventories	80.39	32.13	36.80	59.98	65.85
d) Trade Receivables	50.60	27.92	27.97	42.84	30.24
c) Cash and Cash equivalents	33.85	4.16	(8.83)	20.50	16.38
d) Short-term loans and advances	-	-	22.97	73.83	8.05
e) Other Current Assets	23.74	12.04	0.11	1.53	1.81
Total	188.58	76.24	79.03	198.68	122.33
TOTAL	680.13	416.68	339.82	496.89	466.47

Annexure II

STATEMENT OF PROFIT AND LOSS ACCOUNT, AS RESTATED

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2017	2016	2015	2014	2013
INCOME:					
Revenue from Operations	804.12	639.21	675.03	558.42	581.76
Other Income	69.27	35.63	17.06	11.41	23.92
Total income	873.39	674.84	692.09	569.83	605.68
EXPENSES:					
Cost of materials consumed	532.29	492.37	523.45	455.37	454.24
Employee benefits expense	10.81	23.81	16.29	32.18	20.73
Finance cost	33.28	35.80	27.64	29.48	40.88
Depreciation and amortization expense	47.95	66.82	39.22	45.37	52.88
Manufacturing and other expenses	116.86	81.22	93.21	86.69	119.71
Total expenses	741.20	700.03	699.80	649.08	688.44
Net Profit / (Loss) before exceptional items and tax	132.19	(25.19)	(7.71)	(79.25)	(82.76)
Exceptional items	-	-	-	-	-
Net Profit / (Loss) before tax	132.19	(25.19)	(7.71)	(79.25)	(82.76)
Less: Tax expense					
Current tax	-	-	-	-	-
Deferred tax (asset)/liability	(4.90)	(11.28)	3.58	-	-
Total Tax Expense	(4.90)	(11.28)	3.58	-	-
Net Profit / (Loss) after tax	137.09	(13.91)	(11.29)	(79.25)	(82.76)

Annexure III
CASH FLOW STATEMENT, AS RESTATED
(₹ in lakhs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Cash Flow From Operating Activities					
Net Profit Before Tax	132.19	(25.19)	(7.71)	(79.25)	(82.76)
Adjustments for :					
Depreciation/Amortisation	47.95	66.82	39.22	45.37	52.88
Finance Cost	33.28	35.80	27.64	29.48	40.88
Operating Profit Before Working Capital Changes	213.42	77.44	59.14	(4.41)	11.00
Adjusted for (Increase)/ Decrease:					
Trade Receivables	(22.68)	0.05	14.87	(12.61)	19.44
Inventories	(48.26)	4.67	23.17	5.87	(1.15)
Short Term Loans and Advances	-	22.97	50.86	(65.78)	2.44
Other Current Assets	(11.70)	(11.93)	1.42	0.28	0.52
Trade Payables	18.62	(30.68)	(105.85)	20.45	48.40
Other Current Liabilities (Tax Liabilities not included)	74.54	28.58	(24.93)	(10.83)	35.30
Short Term Provisions	28.06	-	-	-	-
Cash Generated From Operations Before Exceptional Items	251.99	91.12	18.69	(67.02)	115.95
Add:- Exceptional Items	-	-	-	-	-
Cash Generated From Operations	251.99	91.12	18.69	(67.02)	115.95
Less: Direct Tax paid	-	-	-	-	-
Net Cash flow from/(used in) Operating Activities (A)	251.99	91.12	18.69	(67.02)	115.95
Cash Flow From Investing Activities					
Purchase of Fixed Assets	(54.32)	(139.28)	(2.44)	(0.29)	(6.02)
(Purchase) / Sale of Investment	(126.00)	-	-	-	-
Sale of fixed asset	13.11	2.66	-	-	-
Net Cash Flow from Investing Activities (B)	(167.21)	(136.62)	(2.44)	(0.29)	(6.02)
Cash Flow From Financing Activities					
Proceeds from Share Allotment	272.00	-	-	-	-
Proceeds From Share Application Money	-	-	(74.43)	47.43	27.00
Proceeds from Share Premium	56.00	-	-	-	-
Increase / (Decrease) Long Term Borrowing	(51.54)	(16.55)	(57.01)	(42.40)	(47.03)
Increase / (Decrease) in Short Term Borrowing	(271.31)	113.03	112.86	95.03	(36.51)
Increase/ (Decrease) in Long Term Loans and Advances	(26.95)	(2.18)	0.65	0.86	0.38
Interest & Financial Charges paid	(33.28)	(35.80)	(27.64)	(29.48)	(40.88)
Net Cash Flow from Financing Activities (C)	(55.08)	58.49	(45.58)	71.43	(97.03)
Net Increase/ (Decrease) in Cash and Cash Equivalents (A + B + C)	29.69	12.99	(29.33)	4.11	12.90
Cash & Cash equivalent at the beginning of the year	4.16	(8.83)	20.50	16.38	3.49
Cash & Cash Equivalent at the end of the year	33.85	4.16	(8.83)	20.50	16.38

Annexure IV

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the Act"). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2. Use of Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

3. Cash flow statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

4. Current / Non-current classification:

The Schedule III to the Act requires assets and liabilities to be classified as either Current or Non-current. An asset is classified as current when it satisfies any of the following criteria:

- (i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- (ii) it is held primarily for the purpose of being traded;
- (iii) it is expected to be realised within twelve months after the reporting date; or
- (iv) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- (i) it is expected to be settled in, the Company's normal operating cycle;
- (ii) it is held primarily for the purpose of being traded;
- (iii) it is due to be settled within twelve months after the reporting date; or
- (iv) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the opinion of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

5. Revenue Recognition:

- (i) The company follows mercantile system of accounting and recognises significant items of income and expenditure. Revenue is recognised only when it is reasonably certain that ultimate collection will be made.
- (ii) Interest income is booked on time proportion basis

6. Fixed assets and depreciation :

- (i) Tangible assets are stated at cost, less accumulated depreciation and impairment, if any. Direct costs are capitalized until such assets are ready for use. Capital work-in-progress comprises the cost of fixed assets that are not yet ready for their intended use at the reporting date.
- (ii) Depreciation:
Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Written Down Value (WDV) Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

7. Investments:

Investments are recorded on readily realizable and intended to be held for not more than a year by classifying as Current Investments. All other investments are classified as Long Term Investments.

- (i) Current Investments are carried at lower of cost and fair value determined on an individual investment basis; and
- (ii) Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of investments.

8. Inventories:

- (i) Raw Materials, Stores & Spares are valued at Cost or Market Value whichever less is.
- (ii) Work in process is Valued at Cost. Cost is arrived at by absorption cost method.
- (iii) Finished goods are valued at Cost or Market Value whichever less is. Cost is arrived at by absorption cost method.

9. Research and Development:

Revenue Expenditure on Research and Development is charged to the Statement of Profit and Loss for the year. Capital Expenditure on Research and Development is included as part of fixed assets and depreciation is provided on the same basis as for other fixed assets.

10. Borrowing Cost:

Borrowing costs are charged to Profit and Loss account, except in cases where the borrowings are directly attributable to the acquisition, construction or production of a qualifying asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use.

11. Employee Benefits:

- (i) Defined Contribution Plans: The Company's contributions paid / payable during the year to Provident Fund, Superannuation Fund are recognised in the Profit and Loss Account.
- (ii) Defined Benefit Plan: The Company's liabilities towards gratuity and leave encashment are determined on actuarial basis using the projected unit credit method, which consider each period of service as giving rise to an additional unit of benefit and measure each unit separately to build up the final obligation. Past services are recognised on straight-line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognised immediately in the Statement of Profit and Loss Account as income or expense. Obligation is measured at the present value of estimated future cash flow using a discount rate that is determined by reference to market yields at the Balance Sheet date on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

12. Leases:

Lease Payments are recognised as an expense in the Statement of Profit and Loss of the year to which they relate.

13. Foreign Currency Transactions

- (i) Transactions in foreign currency are recorded at the rates prevailing on the date of the transaction..

- (ii) Monetary foreign currency assets and liabilities outstanding as at the year-end are restated at the exchange rates prevailing as at the close of the financial year or forward cover exchange rate as applicable.
- (iii) Exchange difference arising due to repayment and translation of long-term loans relating to acquisition of fixed assets are treated as adjustments to the carrying cost of such fixed assets. Exchange differences arising on forward exchange contracts are recognised over the period of the contract and are classified as part of the underlying transaction in the profit and loss account. All other exchange differences are accounted for in the profit and loss account

14. Earnings per share (EPS):

The Basic EPS is computed by dividing the net / profit (loss) attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. Diluted EPS is computed by dividing the net profit / (loss) as adjusted for dividend, interest and other charges to expense or income (net off any attributable taxes) relating to the dilutive potential equity shares by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

15. Taxes on income:

- (i) Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.
- (ii) Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets.

16. Provisions and contingent liabilities:

- (i) The Company creates a provision where there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.
- (ii) A disclosure for a contingent liability is made where there is a possible obligation that may, but probably will not require an outflow of resources.
- (iii) When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

17. Impairment of Assets:

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of net selling price of an assets or its value in use. Value in use is present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

18. Intangible Assets:

Intangible Assets are stated at their cost of acquisition, less accumulated amortization and impairment losses thereon. An Intangible Asset is recognised, where it is probable that the future economic benefits attributable to the Asset will flow to the enterprise and where its cost can be reliably measured.

- 19. There are no Auditor's Qualifications in any of the audited Financial Statements as at and for the years ended as at March 31, 2017, 2016, 2015, 2014 and 2013. However, in the Audit Report for the F.Y. 2016-17, the auditors have inserted an emphasis of matter paragraph drawing the attention towards non-provision/ non-payment of Employees

Provident Fund for last 5 years starting from F.Y. 2012-13 to F.Y. 2016-17 and the opinion is not qualified in respect of this matter

Annexure V

NOTES TO ACCOUNTS

1. Managerial Remuneration

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2017	2016	2015	2014	2013
Salaries and Allowances	-	-	-	-	-
Other Fees	-	-	-	-	-

2. Remuneration to Statutory Auditors:

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2017	2016	2015	2014	2013
Statutory Audit Fees	0.36	0.28	0.15	0.10	0.10
Tax Audit Fees	0.70	0.40	0.35	-	0.30
Total	1.06	0.68	0.50	0.10	0.40

3. The Company has not received any intimation from suppliers regarding their status under micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, in relation to amount unpaid as at the year end together with interest payable as required under the said Act have not been furnished.

4. The management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required.

5. Previous year figures have been re-grouped and reclassified wherever necessary to confirm to the current year classification.

6. Information regarding Foreign Exchange earnings and expenditure:

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2017	2016	2015	2014	2013
Earning in Foreign Exchange	-	-	-	-	-
Expenditure in Foreign Exchange	-	-	-	-	-

ADJUSTMENTS MADE IN RESTATED FINANCIAL STATEMENTS / REGROUPING NOTES

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

F.Y. 2015-16

During the financial year 2015-16, the depreciation on revaluation portion of the fixed assets has been debited to the profit and loss account. The same is rectified in the restated financials by reducing it from the revaluation reserves. Further the company had failed to provide for deferred tax asset in the audited financials, the same has now been provided for in the restated financials.

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2017	2016	2015	2014	2013
Depreciation and Amortization expense as per audited Financial Statements	47.95	89.63	39.22	45.37	52.88
Less: Depreciation charged on Re-valued Assets	-	22.81	-	-	-
Depreciation and Amortization expenses as per Restated Financial Statements	47.95	66.82	39.22	45.37	52.88

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2017	2016	2015	2014	2013
Deferred Tax (Asset)/Liability as per audited Financial Statements	(4.90)	-	3.58	-	-
Add: Deferred Tax (Asset)/Liability provided	-	(11.28)	-	-	-
Deferred Tax (Asset)/Liability as per Restated Financial Statements	(4.90)	(11.28)	3.58	-	-

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2017	2016	2015	2014	2013
Profit after Tax as per Audited Financials	(137.09)	(47.99)	(11.29)	(79.25)	(82.76)
Changes made in Restated Financials					
Add: Depreciation charged on Re-valued Assets	-	22.81	-	-	-
Add: Deferred Tax Asset	-	11.28	-	-	-
Profit after Tax as per Restated Financials	(137.09)	(13.91)	(11.29)	(79.25)	(82.76)

Regrouping done in Balance Sheet – Assets

F.Y 2012-13, 2013-14, 2014-15 and 2015-16

Certain items of Assets were classified as Short term loans and advances and other current assets in the financial year 2012-13 & 13-14 and 2014-15 & 15-16, respectively. The same have been restated to conform to latest accounting treatment i.e. included as Long Term Loans and Advances. Accordingly, the balance of short term loans and advances and Other Current Assets have been restated.

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2017	2016	2015	2014	2013
Long Term Loans and Advances as per audited Financial Statements	30.78	-	-	-	-
Add: Amount reclassified as Long Term Loans and Advances	-	3.83	1.64	2.29	3.14
Long Term Loans and Advances as per Restated Financial Statements	30.78	3.83	1.64	2.29	3.14

F.Y 2012-13, 2013-14 and 2015-16

Certain items of Assets were classified as miscellaneous expenses in the financial year 2012-13 and 2013-14, and certain items of assets were classified as short term loans and advances in the financial year 2015-16. The same have been restated to confirm to latest accounting treatment i.e. included as Other Current Assets. Accordingly, the balances of miscellaneous expenses and short term loans and advances have been restated.

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2017	2016	2015	2014	2013
Other Current Asset as per audited Financial Statements	23.74	298.41	225.97	0.49	0.25
Less: Amount reclassified as Long Term Loans and Advances	-	3.83	1.64	-	-
Less: Amount reclassified as Reserves and Surplus	-	283.51	224.22	-	-
Add: Amount reclassified as Other Current Asset	-	0.96	-	1.04	1.56
Other Current Asset as per Restated Financial Statements	23.74	12.04	0.11	1.53	1.81

Regrouping done in Balance Sheet – Liabilities

F.Y 2012-13, 2013-14, 2014-15 and 2015-16

Certain items of Liabilities were classified as Long Term Borrowings. The same have been restated to confirm to latest accounting treatment i.e. included as Short Term Borrowings. Accordingly, the balance of Long Term Borrowings and Short Term Borrowings has been restated.

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2017	2016	2015	2014	2013
Long Term Borrowings as per audited Financial Statements	17.28	494.39	375.58	307.95	255.32
Less: Amount reclassified Short Term Borrowing	-	391.44	278.41	165.56	70.53
Less: Amount reclassified as Cash and Cash equivalents	-	-	11.78	-	-
Less: Amount reclassified as Other Current Liability	-	34.12	-	-	-
Long Term Borrowings as per Restated Financial Statements	17.28	68.83	85.38	142.40	184.80

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2017	2016	2015	2014	2013
Short Term Borrowings as per audited Financial Statements	120.13	-	-	-	-
Add: Amount reclassified Short Term Borrowing from Long Term Borrowing	-	391.44	278.41	165.56	70.53
Short Term Borrowings as per Restated Financial Statements	120.13	391.44	278.41	165.56	70.53

F.Y 2012-13, 2013-14, 2014-15 and 2015-16

Certain items of Liabilities were classified as Short Term Provisions and Long Term Borrowings. The same have been restated to confirm to latest accounting treatment i.e. included as Other Current Liability. Accordingly, the balances of Long Term Borrowings and Short Term Provision have been restated.

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2017	2016	2015	2014	2013
Other Current Liabilities per audited Financial Statements	127.73	-	(9.80)	-	-
Add: Amount reclassified as Other Current Liabilities	-	53.19	34.41	49.54	60.37
Other Current Liabilities as per Restated Financial Statements	127.73	53.19	24.61	49.54	60.37

F.Y 2013-14, 2014-15 and 2015-16

Certain items of Liabilities were classified as miscellaneous expenses and Other Current assets. The same have been restated to conform to latest accounting treatment i.e. included as Reserves and Surplus. Accordingly, the balances of miscellaneous expenses, Other Current assets and Reserves and Surplus have been restated.

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2017	2016	2015	2014	2013
Reserves and Surplus per audited Financial Statements	(0.33)	95.95	158.39	185.26	58.54
Add: Amount reclassified as Reserves and Surplus from other current asset	-	(283.51)	(224.22)	(224.22)	-

Particulars	For the year ended March 31,				
	2017	2016	2015	2014	2013
Less: Deferred Tax Provision not made in audited financials	-	7.70		-	-
Reserves and Surplus as per Restated Financial Statements	(0.33)	(179.86)	(65.83)	(38.96)	58.54

Annexure VI

STATEMENT OF SHARE CAPITAL, AS RESTATED

(₹ in lakhs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Authorised Share Capital :					
62,00,000 Equity Shares of ₹ 10 each (Previous years 12,00,000 equity shares of ₹ 10 each)	620.00	120.00	120.00	120.00	120.00
Total	620.00	120.00	120.00	120.00	120.00
Issued Subscribed and Paid Up Capital :					
37,30,000 Equity Shares of ₹ 10 each (Previous years 10,10,000 equity shares of ₹ 10 each)	373.00	101.00	101.00	101.00	101.00
Total	373.00	101.00	101.00	101.00	101.00

Reconciliation of number of shares outstanding:

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Equity Shares					
At the beginning of the period	1,010,000	1,010,000	1,010,000	1,010,000	1,010,000
Addition during the period	2,720,000	-	-	-	-
Outstanding at the end of the period	3,730,000	1,010,000	1,010,000	1,010,000	1,010,000

Annexure VII

STATEMENT OF RESERVES AND SURPLUS

(₹ in lakhs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Profit & Loss A/c					
Balance as at the beginning of the year	(249.42)	(235.52)	(224.22)	(144.97)	(62.21)
Add / (Less): Changes during the year					
Add: Profit After Tax	137.09	(13.91)	(11.29)	(79.25)	(82.76)
Balance as at the end of the year (A)	(112.33)	(249.42)	(235.52)	(224.22)	(144.97)
Revaluation Reserve					
Balance as at the beginning of the year	69.56	169.68	185.26	203.51	-
Add / (Less): Changes during the year					
Less: Revaluation w/off	-	(77.32)	-	-	-
Less: Depreciation on Revaluation	(13.56)	(22.80)	(15.58)	(18.25)	203.51
Balance as at the end of the year (B)	56.00	69.56	169.68	185.26	203.51
Securities Premium					
Balance as at the beginning of the year	-	-	-	-	-
Add: Securities Premium collected during the year	56.00				

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Balance as at the end of the year (C)	56.00	-	-	-	-
Total (A+B+C)	(0.33)	(179.87)	(65.84)	(38.96)	58.54

Annexure VIII

STATEMENT OF FIXED ASSETS, AS RESTATED

(₹ in lakhs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Factory Building					
Opening Balance	88.62	98.79	109.77	121.97	119.95
Add: Addition during the year	49.06	-	-	-	0.49
Add: Revaluation during the year	-	-	-	-	13.57
Less: Depreciation during the year	12.66	9.04	9.76	10.84	12.04
Less: Depreciation on revaluation transferred to revaluation reserve	1.00	1.13	1.22	1.36	-
Closing Balance	124.01	88.62	98.79	109.77	121.97
Plant and Machinery					
Opening Balance	228.47	247.47	288.49	339.28	261.12
Add: Addition during the year	4.01	59.22	2.44	0.13	5.53
Add: Revaluation during the year	-	-	-	-	112.62
Less: Reduction during the year	13.11	-	-	-	-
Less: Depreciation during the year	34.43	56.55	29.10	34.02	40.00
Less: Depreciation on revaluation transferred to revaluation reserve	12.55	21.67	14.36	16.89	-
Closing Balance	172.39	228.47	247.47	288.49	339.28
Furniture and Fixture					
Opening Balance	0.74	1.48	1.64	1.83	2.03
Add: Addition during the year	0.93	-	-	-	-
Less: Reduction during the year	-	-	-	-	-
Less: Depreciation during the year	0.55	0.74	0.16	0.18	0.20
Closing Balance	1.12	0.74	1.48	1.64	1.83
Vehicles					
Opening Balance	0.06	0.08	0.09	0.11	0.13
Add: Addition during the year	-	-	-	-	-
Less: Reduction during the year	-	-	-	-	-
Less: Depreciation during the year	0.01	0.02	0.01	0.02	0.02
Closing Balance	0.05	0.06	0.08	0.09	0.11
Land					
Opening Balance	80.06	80.00	80.00	80.00	2.66
Add: Addition during the year	-	80.06	-	-	-
Add: Revaluation during the year	-	(77.34)	-	-	77.34
Less: Reduction during the year	-	2.66	-	-	-
Less: Depreciation during the year	-	-	-	-	-
Closing Balance	80.06	80.06	80.00	80.00	80.00
Computer					
Opening Balance	0.05	0.05	0.13	0.33	0.83

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Add: Addition during the year	0.11	-	-	-	-
Add: Revaluation during the year		-	-	-	-
Less: Reduction during the year	-	-	-		-
Less: Depreciation during the year	0.07	0.00	0.08	0.20	0.50
Closing Balance	0.09	0.05	0.05	0.13	0.33
Office Equipments and Mobile					
Opening Balance	0.48	0.95	1.06	1.00	1.13
Add: Addition during the year	0.21			0.17	-
Add: Revaluation during the year	-		-	-	-
Less: Reduction during the year	-		-	-	-
Less: Depreciation during the year	0.23	0.48	0.11	0.12	0.12
Closing Balance	0.46	0.48	0.95	1.06	1.00
Tangible Gross Block	439.69	488.10	483.62	544.80	393.86
Total Accumulated Depreciation	61.50	89.63	54.80	63.62	52.88
Net Block	378.18	398.48	428.83	481.18	340.98

Annexure IX

STATEMENT OF NON CURRENT INVESTMENTS, AS RESTATED

(₹ in lakhs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Investment in Unquoted Securities					
Investment in Associate Company:					
Palwe Pest Control Private Limited	126.00	-	-	-	-
(20,000 shares of Face Value of ₹ 10 each and 2016; Nil)					
Total	126.00	-	-	-	-

Annexure X

STATEMENT OF LONG TERM LOANS AND ADVANCES, AS RESTATED

(₹ in lakhs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Deposits	3.83	3.83	1.64	2.29	3.14
MAT Credit Entitlement	26.95	-	-	-	-
Total	30.78	3.83	1.64	2.29	3.14

Annexure XI

STATEMENT OF INVENTORIES, AS RESTATED

(₹ in lakhs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Raw Materials	23.73	19.08	28.18	50.88	35.25
Finished Goods	56.66	13.05	8.62	9.09	30.60
Total	80.39	32.13	36.80	59.98	65.85

Annexure XII

STATEMENT OF TRADE RECEIVABLES, AS RESTATED

(₹ in lakhs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Unsecured, considered good					
More than six months	-	-	-	-	-
Others	50.60	27.92	27.97	42.84	30.24
Total	50.60	27.92	27.97	42.84	30.24

Annexure XIII

STATEMENT OF CASH AND CASH EQUIVALENTS, AS RESTATED

(₹ in lakhs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Cash in Hand	0.65	4.08	2.95	20.14	16.38
Total (a)	0.65	4.08	2.95	20.14	16.38
Balances with Banks					
In Current Account	13.21	0.08	(11.78)	0.36	-
In Deposit Account	20.00	-	-	-	-
Total (b)	33.21	0.08	(11.78)	0.36	-
Total (a+b)	33.85	4.16	(8.83)	20.50	16.38

Annexure XIV

STATEMENT OF SHORT TERM LOANS AND ADVANCES, AS RESTATED

(₹ in lakhs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Advances for Fixed Assets	-	-	10.00	10.00	3.46
Loans & Advances to Related Parties	-	-	-	63.83	4.59
Advances To Others	-	-	12.97	-	-
Total	-	-	22.97	73.83	8.05

Annexure XV

STATEMENT OF OTHER CURRENT ASSETS, AS RESTATED

(₹ in lakhs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Advances recoverable in Cash or Kind	2.19	0.96	-	-	-
Balance with revenue authorities	21.55	11.06	0.11	0.49	-
Income tax refundable	-	0.01	-	-	-
Others-advances for materials	-	-	-	-	0.25
Miscellaneous expense to the extent not written off	-	-	-	1.04	1.56
Total	23.74	12.04	0.11	1.53	1.81

Annexure XVI
STATEMENT OF LONG TERM BORROWINGS, AS RESTATED
(₹ in lakhs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Secured Loans					
Term Loan (From Bank)	17.28	68.83	85.38	142.40	184.80
Total	17.28	68.83	85.38	142.40	184.80

Annexure XVII
STATEMENT OF SHORT TERM BORROWINGS, AS RESTATED
(₹ in lakhs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Secured Loan					
Bank OD/ Cash Credit	75.13	111.24	52.60	52.35	60.53
Unsecured Loans					
Loan from directors	-	280.20	225.81	113.21	10.00
Loan from shareholders	45.00	-	-	-	-
Total	120.13	391.44	278.41	165.56	70.53

Annexure XVIII
STATEMENT OF TRADE PAYABLES, AS RESTATED
(₹ in lakhs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Unsecured, considered good					
Sundry Creditors	70.26	51.64	82.34	188.19	167.74
Total	70.26	51.64	82.34	188.19	167.74

Annexure XIX
STATEMENT OF OTHER CURRENT LIABILITIES, AS RESTATED
(₹ in lakhs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Current maturities of long term debt	11.35	34.12	-	-	-
Other payables	93.78	13.69	18.99	43.65	58.57
Statutory dues payable	22.60	5.38	5.62	5.90	1.80
Total	127.73	53.19	24.61	49.54	60.37

Annexure XX
STATEMENT OF SHORT TERM PROVISIONS, AS RESTATED
(₹ in lakhs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Provision for Income Tax	26.95	-	-	-	-
Provision for Gratuity	1.11	-	-	-	-
Total	28.06	-	-	-	-

Annexure XXI

STATEMENT OF REVENUE FROM OPERATIONS, AS RESTATED

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2017	2016	2015	2014	2013
Sale of Products					
Pakaged Drinking Water	804.12	639.21	675.03	558.42	581.76
Total	804.12	639.21	675.03	558.42	581.76

Annexure XXII

STATEMENT OF OTHER INCOME, AS RESTATED

(₹ in Lakhs)

Particulars	For the year ended March 31,				
	2017	2016	2015	2014	2013
Recurring in nature:					
Discount	0.15	19.91	27.89	0.02	0.14
Rate Difference	1.25	15.57	(10.82)	11.39	-
Non-Recurring in nature:					
Accrued Interest	-	0.15	-	-	-
Trade Payables written off	-	-	-	-	23.78
Subsidy Received	63.00	-	-	-	-
Others	4.86	0.00	-	-	-
Total	69.27	35.63	17.06	11.41	23.92

Annexure XXIII

STATEMENT OF RELATED PARTY TRANSACTIONS, AS RESTATED

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

(i) Key Managerial Personnel

For the year ended March 31,				
2017	2016	2015	2014	2013
Sandeep Palwe	Sandeep Palwe	Sandeep Palwe	Sandeep Palwe	Sandeep Palwe
Nayan Palwe	Nayan Palwe	Nayan Palwe	Nayan Palwe	Nayan Palwe
Charu Lathi	Saravan Sheshadri	Saravan Sheshadri	Saravan Sheshadri	Saravan Sheshadri
Mrs. Varsha Rawat	Bharti R Sheshadri	Bharti R Sheshadri	Mr. Rammohan Sheshadri	Mr. Rammohan Sheshadri
	Mr. Neelkamal Rawat	Mr. Neelkamal Rawat	Ravindra Govindbhai Choudhary	Ravindra Govindbhai Choudhary
	Mrs. Varsha Rawat	Mrs. Varsha Rawat	Vinodkumar Jayadevan Paramu	Vinodkumar Jayadevan Paramu
			Mrs. Varsha Rawat	
			Mr. Neelkamal Rawat	

(ii) Relatives of KMPs

For the year ended March 31,				
2017	2016	2015	2014	2013
Balasaheb Palwe	Balasaheb Palwe	Balasaheb Palwe	Balasaheb Palwe	Balasaheb Palwe
Vipul Lathi	Charu Lathi	Charu Lathi	Charu Lathi	Charu Lathi

(iii) Associates / Enterprises over which directors and / or their relatives has significant influence

For the year ended March 31,				
2017	2016	2015	2014	2013
Galactico Corporate Services Private Limited (Formerly known as Amigo Trading Pvt. Ltd.)	Amigo Trading Pvt Ltd	-	-	-
Palwe Pest Control Pvt Ltd	Palwe Pest Control Pvt Ltd	Palwe Pest Control Pvt Ltd	Palwe Pest Control Pvt Ltd	Palwe Pest Control Pvt Ltd
Rawat Rent a Car Pvt Ltd	Rawat Rent a Car Pvt Ltd	Rawat Rent a Car Pvt Ltd	Rawat Rent a Car Pvt Ltd	Rawat Rent a Car Pvt Ltd

(iv) Particulars of Transactions with Related Parties

Key Management Personnel & Relatives

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2017	2016	2015	2014	2013
1) Finance					
Loan Taken	-	61.80	125.30	133.00	10.00
Repayment of Loan taken	(173.15)	(81.21)	(9.40)	(33.09)	-
Shares Allotted	(103.05)	-	-	-	-
Loan Given		-	(12.97)	-	-
Repayment of Loan given		12.97	-	-	-
2) Investments					
Land Purchased	-	73.80			-

Relatives of Key Management Personnel

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2017	2016	2015	2014	2013
1) Finance					
Loan Taken	49.23	133.30	-	-	-
Repayment of Loan taken	(4.20)	(133.33)	-	-	-

Associates / Enterprises over which directors and / or their relatives has significant influence

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2017	2016	2015	2014	2013
1) Finance					
Loan Taken	-	-	-	3.30	-
Repayment of Loan taken	-	-	(3.30)	-	-
Loan Given	151.90	(3.00)	-	-	-
Repayment of Loan given	(25.85)	3.00	-	-	-
2) Investments					
Advance given against property		-	(63.83)	63.83	-
Conversion of loan into investment	126.00	-	-	-	-
3) Expenses					
Advance from Customer	-	-	(31.00)	-	31.00

Annexure XXIV

STATEMENT OF CAPITALIZATION

(₹ in lakhs)

Particular	Pre Issue (as at March 31, 2017)	Post Issue
Debt		
Long Term Debt	17.28	17.28
Short Term Debt	120.13	120.13
Total Debts (A)	137.42	137.42
Equity (Shareholder's funds)		
Equity share capital	373.00	533.00
Reserve and Surplus	(56.33)	255.67
Total Equity (B)	316.67	788.67
Long Term Debt / Equity Shareholder's funds	0.05	0.02
Total Debts / Equity Shareholder's funds	0.43	0.17

Note:

- The above has been computed on the basis of Restated Financials of the Company.

Annexure XXV

STATEMENT OF CONTINGENT LIABILITIES, AS RESTATED

(₹ in lakhs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
NIL	-	-	-	-	-
Total	-	-	-	-	-

Annexure XXVI

STATEMENT OF ACCOUNTING RATIOS, AS RESTATED

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2017	2016	2015	2014	2013
Restated PAT as per P & L Account	137.09	(13.91)	(11.29)	(79.25)	(82.76)
Actual number of shares outstanding at the end of period	37,30,000	10,10,000	10,10,000	10,10,000	10,10,000
Weighted Average Number of Equity Shares at the end of the period	14,44,795	10,10,000	10,10,000	10,10,000	10,10,000
Share Capital	373.00	101.00	101.00	101.00	101.00
Reserves and Surplus	(56.33)	(249.42)	(235.52)	(224.22)	(144.97)
Net Worth	316.67	(148.42)	(134.52)	(123.22)	(43.97)
Earnings Per Share					
Basic and Diluted	9.49	(1.38)	(1.12)	(7.85)	(8.19)
Return on Net Worth (%)	43.29%	(9.37)%	(8.40)%	(64.32)%	(188.23)%
Net Asset Value Per Share (₹)	8.49	(14.70)	(13.32)	(12.20)	(4.35)
Nominal Value per Equity Share (₹)	10.00	10.00	10.00	10.00	10.00

Notes on Accounting Ratios:

- Earnings Per Share (₹) = (Restated PAT as per P & L Account/ Weighted Average Number of Equity Shares at the end of the Year).
- Return on Net Worth (%) = Restated PAT as per P & L Account/ Net Worth - Restated * 100.
- Net Asset Value Per Share (₹) = Net Worth- Restated/ Number of Equity Shares at the end of the Year.

Annexure XXVII

STATEMENT OF TAX SHELTER

(₹ in Lakhs)

Particulars	For the year ended March 31,				
	2017	2016	2015	2014	2013
Normal Corporate tax rates (%)	30.90%	30.90%	30.90%	30.90%	30.90%
Minimum alternative tax rates	19.06%	19.06%	19.06%	19.06%	19.06%
Profit before tax as per Restated P/L (A)	132.19	(25.19)	(7.71)	(79.25)	(82.76)
Tax Adjustment					
Permanent Difference					
Disallowance as per section 40	-	-	-	2.68	2.56
Disallowance as per section 43B	-	-	-	-	55.49
Total Permanent Difference (B)	-	-	-	2.68	58.06
Timing Difference					
Difference in Depreciation as Per Books and Income Tax Act	47.95	66.82	39.22	65.37	52.88
Difference in Amortization Expenses as Per Books and Income Tax Act	(46.76)	(52.77)	(51.16)	(65.37)	(52.88)
Amounts previously disallowed u/s 43B now allowed	-	-	-	-	9.68
Total Timing Difference (C)	1.19	14.05	(11.95)	-	9.68
Total Adjustment (D) = (B+C)	1.19	14.05	(11.95)	2.68	67.74
Taxable Income / (Loss) E = (A+/-D)	131.01	(11.13)	(19.66)	(76.58)	(34.39)
Tax as per normal provisions	40.48	-	-	-	-
Business Loss set off	(40.48)	-	-	-	-
Tax as per normal provisions (F)	-	-	-	-	-
Taxable income as per MAT	132.19	-	-	-	-
MAT tax rate	19.06%	19.06%	19.06%	19.06%	19.06%
Tax under MAT (G)	25.20	-	-	-	-
Tax payable for the year maximum of (F) or (G)	25.20	-	-	-	-
Tax paid as per normal or MAT	MAT	N.A.	N.A.	N.A.	N.A.

Notes:

- The aforesaid Statement of tax Shelters has been prepared as per the 'Restated Profit and Loss Account.

CHANGES IN ACCOUNTING POLICIES IN THE LAST THREE YEARS

There has been no change in the Accounting Policies in the last three (3) years except change in method of Depreciation from WDV to SLM as per the Schedule II of the Companies Act, 2013.

CHANGES IN ACCOUNTING PERIOD

There has been no change in the accounting period of the Company.

PROFORMA FINANCIAL STATEMENTS

Independent Practitioner's Assurance report on the Compilation of Proforma Financial Information Included in offer document in connection with the Initial Public offer of Seven Hills Beverages Limited.

The Board of Directors

Seven Hills Beverages Limited

Gat No. 206, Khatwad Phata,
Vill-Pimpalnere, Tal. Dindori,
Nashik - 422 004

Dear Sirs

1. We have completed our assurance engagement to report on the compilation of proforma financial information of Seven Hills Beverages Limited ("the Company") by the Management of Company. The proforma financial information consists of the Proforma Consolidated Balance sheet as at March 31, 2017, the Proforma Consolidated Statements of Profit and Loss for the year ended March 31, 2017 as set out on pages 4–5 of the proforma financial information. The applicable criteria on the basis of which the Company has compiled the proforma financial information are specified in paragraph 23 of item (IX)(B) of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI Regulations"), as amended from time to time and described in note 2 of proforma financial information.

2. The proforma financial information has been compiled by the Management of Company to illustrate the impact of the acquisition of Palwe Pest Control Pvt Ltd as set out in note 2 on the Company's financial position as at March 31, 2017 as if the acquisition of Palwe Pest Control Pvt Ltd had taken place at March 31, 2017 and its financial performance for the year ended March 31, 2017 as if the acquisition of Palwe Pest Control Pvt Ltd had taken place at April 1, 2016.

3. As part of this process, information about the Company's financial position and financial performance has been extracted by the Management from the Company's restated standalone summary statements, on which we have issued our examination report.

Management Responsibility for the Proforma Financial Information

4. The Management is responsible for compiling the proforma financial information on the basis set out in note 2 to the proforma financial Information and the same have been approved by the Board of Directors of the Company. This responsibility includes the responsibility for designing, implementing and maintaining internal control relevant for compiling the proforma financial information on the basis set out in note 2 to the proforma financial information that is free from material misstatement, whether due to fraud or error. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities, including compliance with the provisions of the laws and regulations for the compilation of proforma financial information.

Practitioner's Responsibilities

5. Our responsibility is to express an opinion, as required by the SEBI Regulations, about whether the proforma consolidated financial information of the Company have been compiled, in all material respects, by the Management on the basis set out in Note 2 to the proforma consolidated financial information.

6. We conducted our engagement in accordance with Standard on Assurance Engagements (SAE) 3420, Assurance Engagements to Report on the Compilation of Proforma Financial Information Included in a Prospectus, issued by the Institute of Chartered Accountants of India. This Standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Management has compiled, in all material respects, the proforma consolidated financial information on the basis set out in Note 2 to the proforma consolidated financial information.

7. For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information / restated consolidated financial summary statement used in compiling the proforma consolidated financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the proforma consolidated financial information. For our assurance engagement, we have placed reliance on the following:

a. The restated Standalone Summary Financial Statements of the Company as of and for the year ended March 31, 2017.

b. The audited standalone financial statements of Palwe Pest Control Pvt Ltd as of and for the year ended March 31, 2017.

8. The purpose of proforma financial information included in offer document is solely to illustrate the impact of above mentioned acquisition on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the above mentioned acquisition at June 15, 2017 would have been as presented.

9. A reasonable assurance engagement to report on whether the proforma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Management in the compilation of the proforma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether: The related proforma adjustments give appropriate effect to those criteria; and The proforma financial information reflects the proper application of those adjustments to the unadjusted financial information. The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the company, the event or transaction in respect of which the proforma financial information has been compiled, and other relevant engagement circumstances. The engagement also involves evaluating the overall presentation of the proforma financial information.

10. Our work has not been carried out in accordance with the auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

11 We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

12. In our opinion the proforma consolidated financial information have been compiled, in all material respects, on the basis set out in the Note 2 to the proforma consolidated financial information.

Restrictions on Use

13. This report should not in any way be construed as a reissuance or re-auditing or re-examination of any of the previous audit reports issued by us. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

14. Our report is intended solely for use of the Management for inclusion in the offer document to be filed with SEBI, the National Stock Exchange of India Limited and Registrar of Companies, Mumbai in connection with the proposed Initial public offering of the Company and is not to be used, referred to or distributed for any other purpose except with our prior consent in writing.

M/s. Ketan K. Kabra & Associates
Chartered Accountants
Firm Registration No: 134758W

CA. Ketan K. Kabra
Partner
Membership No: 148056
Place: Jalgaon.
Date: July 27, 2017.

Seven Hills Beverages Limited
Consolidated Proforma Balance Sheet as at March 31, 2017

(₹ in lakhs)

Particulars	Restated Balance Sheet of Seven Hills Beverages Ltd as at March 31, 2017	Standalone Financials of Palwe Pest Control As on March 31, 2017	Acquisitio n adjustmen ts	Offering related adjustmen ts	Total adjust ments	Consolidated Proforma balance sheet as at March 31, 2017
Equity and Liabilities						
(A) Shareholders' funds						
Share capital	373.00	12.00	(12.00)	-	(12.00)	373.00
Reserves and surplus	(0.33)	331.80	(252.57)	-	(252.57)	78.90
Less : Revaluation Reserve	56.00	-	-	-	-	(56.00)
(B) Minority Interest	-	-	195.17	-	195.17	195.17
(C) Non - current liabilities						
Long-term borrowings	17.28	242.17	-	-	-	259.45
Deferred Tax Liabilities	-	9.59	(9.59)	-	(9.59)	-
(D) Current liabilities						
Short-term borrowings	120.13	-	-	-	-	120.13
Trade payables	70.26	35.48	-	-	-	105.73
Other current liabilities	127.73	47.98	-	-	-	175.71
Short-term provisions	28.06	14.96	-	-	-	43.02
Total (A+B+C+D+E)	680.13	693.97	(78.99)	-	-	1,295.11
Assets						
(E) Non current assets						
Fixed assets						
Tangible assets	378.18	336.32	-	-	-	714.5
Less: Revaluation Reserves	56.00	-	-	-	-	(56.00)
Net Block after adjustment for revaluation reserve	322.18	-	-	-	-	658.5
Non-current investments	126.00	9.52	(126.00)	-	(126.00)	9.52
Long-term loans and advances	30.78	163.19	-	-	-	193.97
Deferred tax assets (net)	12.59	-	(9.59)	-	-	3.00
(F) Current assets						
Inventories	80.39	10.65	-	-	-	91.04
Trade receivables	50.60	164.85	-	-	-	215.45
Cash and bank balances	33.85	6.23	56.60	-	-	96.68
Other current assets	23.74	3.21	-	-	-	26.95
Total (E+F)	680.13	693.97	(78.99)	-	-	1,295.11

Seven Hills Beverages Limited
Consolidated Proforma Profit & Loss Account for the year ended March 31, 2017

(₹ in lakhs)

Particulars	Restated Profit & Loss Account of Seven Hills Beverages Ltd for the year ended March 31, 2017	Standalone Financials of Palwe Pest Control for the year ended March 31, 2017	Acquisition adjustments	Offering related adjustments	Total adjustments	Consolidated Proforma Profit & Loss Account For the Year Ended March 31, 2017
Revenue						
Revenue from operations	804.12	456.79	-	-	-	1260.91
Other income	69.27	3.11	-	-	-	72.38
Total Revenue	873.39	459.90	-	-	-	1333.29
Expenditure						
Purchases	580.56	74.73	-	-	-	655.29
Changes in Inventories of finished goods	(48.26)	(4.68)	-	-	-	(52.94)
Employee benefits expenses	10.81	137.52	-	-	-	148.33
Finance cost	33.28	9.36	-	-	-	42.64
Depreciation expenses	47.95	11.87	-	-	-	59.82
Other expenses	116.86	159.78	-	-	-	276.64
Total Expenses	741.20	388.58	-	-	-	1129.78
Profit before tax	132.19	71.32	-	-	-	203.51
Tax expense / (Benefit)						
Current tax	-	12.51	-	-	-	12.51
Deferred tax	(4.90)	9.59	-	-	-	5.5
Profit after tax	137.09	49.21	-	-	-	186.3
Profit/(loss) for the year before minority interest	-	-	-	-	-	-
Less : Minority interest in profit/(loss) for the year	-	(24.36)	-	-	-	(24.36)
Profit for the year after restatement adjustments	137.09	24.85	-	-	-	161.94
Proforma Earning Per share (EPS)						
Weightage average no of shares						14.45
EPS (₹)						11.20

Seven Hills Beverages Limited

Notes to the Consolidated Proforma Financial Information as at and for the year ended March 31, 2017

1) Background

Our Company was incorporated as Seven Hills Beverages Private Limited on December 11, 2009 under Companies Act 1956 with Registrar of Companies, Pune bearing Registration No.135147. The status of our Company was changed to public limited and the name of our Company was changed to Seven Hills Beverages Limited vide Special Resolution dated April 10, 2017. The fresh certificate of incorporation consequent to conversion was issued on May 26, 2017 by the Registrar of Companies, Pune. Further, we have shifted our Registered Office from Pune to Nashik and have received a revised Corporate Identification Number as U15500MH2009PLC296411 vide certificate dated June 21, 2017 by the Registrar of Companies, Mumbai. The Company is engaged in the business of manufacturing, and trading of packaged drinking water.

2) Basis of Preparation

The consolidated proforma financial information of the Company comprising the consolidated proforma balance sheet as at March 31, 2017 and the consolidated proforma statement of profit and loss for the year ended March 31, 2017 read with the notes to the proforma financial information, has been prepared to reflect the acquisition of Palwe Pest Control Private Limited. Because of their nature, the consolidated proforma financial information addresses a hypothetical situation and, therefore, do not represent Seven Hills Beverages Ltd's actual consolidated financial position or results. They purport to indicate the results of operations that would have resulted had the acquisition been completed at the beginning of the period presented and the consolidated financial position had the acquisition been completed as at year end but are not intended to be indicative of expected results or operations in the future periods or the future financial position of Palwe Pest Control Pvt Ltd. The proforma adjustments are based upon available information and assumptions that the management Seven Hills Beverages Ltd believes to be reasonable. Such proforma financial information has not been prepared in accordance with auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices. Accordingly, the degree of reliance placed by anyone in other jurisdictions on such proforma information should be limited. In addition, the rules and regulations related to the preparation of proforma financial information in other jurisdictions may also vary significantly from the basis of preparation as set out in paragraphs below to prepare these proforma financial information. The Consolidated proforma financial information has been prepared by the Management of the Company in accordance with the requirements of clause (23) of point (IX)(B) of Part A of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended to date (the "SEBI Regulations") issued by the Securities and Exchange Board of India (the "SEBI") to reflect the impact of a significant acquisition made after the date of the latest annual audited financial statements of the Company, viz. March 31, 2017. As explained in the following paragraphs, the consolidated proforma balance sheet as at March 31, 2017 has been prepared to reflect the acquisition by Seven Hills Beverages Ltd of Palwe Pest Control Pvt Ltd as of March 31, 2017 as if acquisition happened on March 31, 2017 itself. The consolidated proforma statements of profit and loss account the year ended March 31, 2017 combine the financial statements of Seven Hills Beverages Ltd for the year ended March 31, 2017 and Palwe Pest Control Pvt Ltd for the year ended March 31, 2017 as if the acquisition occurred on April 1, 2016. The financial year end of the Company and that of Palwe Pest Control Pvt Ltd is March 31. The adjustments made to the proforma financial information are included in the following sections. Palwe Pest Control Pvt Ltd and Company Notes to the Consolidated Proforma Financial Information as at March 31, 2017 and for the year ended March 31, 2017. The consolidated proforma financial information is based on: a) the restated standalone balance sheet as at March 31, 2017 and restated profit and loss accounts of Seven Hills Beverages Ltd for the year ended March 31, 2017, the audited balance sheet and profit and loss account of Palwe Pest Control Pvt Ltd prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) for as at and for the year ended March 31, 2017.

3) Proforma adjustments

The audited financial statements of Palwe Pest Control Pvt Ltd have been prepared as per Indian GAAP and adjusted to comply with Seven Hills accounting policies in all material aspects (collectively referred to as "Accounting policies" as appearing in Standalone restated summary statements). This financial information are prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. The following adjustments have been made to the historical financial statements (as mentioned above) to present the acquired entity consistently with the post-acquisition group structure. The following adjustments have been made to present the unaudited consolidated proforma financial information:

Acquisition related adjustments:

a) As explained above, for purposes of the consolidated proforma balance sheet, the acquisition of Palwe Pest Control Pvt Ltd was assumed to have taken place at March 31, 2017. The capital reserve has been calculated based on the balance sheet of Palwe Pest Control Pvt Ltd as at March 31, 2017. As on March 31, 2017, the book value of the net assets of Palwe Pest Control Pvt Ltd acquired as on March 31, 2017, amounted to ₹ 198.97 lakhs. Accordingly an amount of ₹ 23.17 lakhs, being the excess of its share of net assets aggregate over the purchase consideration for the acquisition has been recognized as capital reserve on consolidation under Reserve & Surplus, based on the principles of AS 21 – “Consolidated Financial Statements”. The balance of the net assets has been accounted for and shown as Minority Interest. Minority interest in profit/(loss) of Palwe Pest Control Pvt Ltd for the year ended March 31, 2017 has been adjusted in the consolidated proforma statement of profit and loss for the year ended March 31, 2017.

Seven Hills Beverages Limited

Notes to the Consolidated Proforma Financial Information as at and for the year ended March 31, 2017 (Amounts in ₹ lakhs, unless otherwise stated).

b) The financing of the entire transaction has been done through Securities Premium A/c (issue of fresh shares at a premium of ₹ 8 per share) which has been used to discharge the purchase consideration.

c) Reserves & Surplus appearing in the consolidated proforma balance sheet as at March 31, 2017 have been increased by this amount assuming that the acquisition happened as of that date. Similarly cash and bank balances has been decreased by ₹ 49.80 lakhs.

4) Other than as mentioned above, no additional adjustments have been made to the unaudited consolidated proforma balance sheet or the income statement to reflect any trading results or other transactions of the Company entered into subsequent to March 31, 2017.

FINANCIAL STATEMENTS OF PALWE PEST CONTROL PRIVATE LIMITED

FINANCIAL INFORMATION OF THE RELEVANT ENTITY IN RELATION TO ACQUISITION OF PALWE PEST CONTROL PRIVATE LIMITED

ACCOUNTANT'S REPORT

The Board of Directors
Seven Hills Beverages Limited
 Gat No. 206, Khatwad Phata,
 Vill-Pimpalnere, Tal. Dindori,
 Nashik - 422 004.

Acquisition of Palwe Pest Control Private Limited

The following is the accountants report (“**Accountant’s Report**”) in relation to the Statement of Assets and Liabilities and Profit and Loss of Palwe Pest Control Private Limited (the “**Company**”). This Accountant’s Report is issued pursuant to the requirements of Part A of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**‘SEBI ICDR Regulations’**), as amended, issued by the Securities and Exchange Board of India (**‘SEBI’**):

Dear Sirs,

We are attaching a schedule containing the following, which has been initialed for identification purposes:

Profit and Loss Account of the Company for the fiscal years/period ended and Statement of Assets and Liabilities as on 31 March, 2017, 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013;

Basis of Preparation:

1. We have examined the financial information of the Company proposed to be included in the prospectus and any other document relating to proposed initial public offer of Seven Hills Beverages Limited in connection with the proposed initial public offering of equity shares of Seven Hills Beverages Limited (“**Issue**”).
2. We have been informed that Seven Hills Beverages Limited has prepared proforma financial statements for fiscal year ended 31 March 2017, which is incorporated in the prospectus, and which evaluate the impact of the acquisition of the Company by Seven Hills Beverages Limited on the financial statements of Seven Hills Beverages Limited had the acquisition been undertaken at an earlier date i.e. 1 April, 2016.
3. The attached schedule has been extracted from the audited financial statements of the Company made available to us.
4. These historical financial statements were prepared in “Rupees” in accordance with the accounting principles generally accepted in India (“**Indian GAAP**”) and were audited by “independent auditors” as given hereunder:

Fiscal Year	Company	Auditors
2013	Palwe Pest Control Private Limited	R. Jajoo and Associates
2014	Palwe Pest Control Private Limited	R. Jajoo and Associates
2015	Palwe Pest Control Private Limited	R. Jajoo and Associates
2016	Palwe Pest Control Private Limited	R. Jajoo and Associates
2017	Palwe Pest Control Private Limited	Ketan K Kabra & Associates

5. We have made no adjustments to the attached schedule that has been extracted from the audited financial statements on account of change in holding structure or whatsoever. This schedule is prepared on the basis of audited historical financial statements that are made available to us. Further, we confirm that there are no qualifications, adverse remarks or matters of emphasis made by statutory auditors for each of the financial years ended on 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013. However, there is an emphasis of matter in the audit report for the year ended 31 March 2017 regarding the non ascertainment of

Provident Fund from F.Y. 2012-13 to F.Y. 2016-17 which is provided & paid off in F.Y. 2017-18 except which there are no qualifications or adverse remarks.

Statement of Assets and Liabilities (See appendix one)

Statement of Profit and Loss (See appendix two)

M/s. Ketan K. Kabra & Associates

Chartered Accountants

Firm Registration No: 134758W

CA. Ketan K. Kabra

Partner

Membership No: 148056

Place : Jalgaon.

Date : July 27, 2017.

Appendix One: Statement of Assets and Liabilities

(₹ in lakhs)

Particulars	As of March 31, 2017	As of March 31, 2016	As of March 31, 2015	As of March 31, 2014	As of March 31, 2013
Equity and Liabilities					
Shareholders' funds					
Share capital	12.00	10.00	10.00	10.00	10.00
Reserves and surplus	331.80	158.59	131.74	108.46	85.12
Non - current liabilities					
Long-term borrowings	242.17	74.90	37.29	49.31	78.33
Deferred Tax Liabilities	9.59	-	0.53	1.25	-
Current liabilities					
Short-term borrowings		-	25.85	63.83	-
Trade payables	35.48	38.82	60.70	46.71	22.85
Other current liabilities	47.98	-	-	-	1.14
Short-term provisions	14.96	28.58	37.35	55.99	39.48
Total	693.97	310.89	303.46	335.56	236.91
Assets					
Non Current assets					
Fixed assets					
Tangible assets	336.32	17.13	28.63	32.76	34.24
Non-current investments	9.52	8.63	6.05	5.92	5.23
Long-term loans and advances	163.19	-	-	-	-
Current assets					
Inventories	10.65	5.97	8.45	1.05	1.53
Trade receivables	164.85	121.20	141.42	128.97	171.83
Cash and bank balances	6.23	40.53	18.99	63.51	4.22
Short Term Loans & Advances	-	104.68	87.62	92.55	6.95
Other current assets	3.21	12.74	12.30	10.80	12.91
Total	693.97	310.89	303.46	335.56	236.91

Appendix Two: Statement of Profit and Loss

(₹ 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
Revenue					
Revenue from operations	456.79	459.66	494.21	413.13	376.54
Other income	3.11	22.70	2.71	3.16	30.54
Total Revenue	459.90	482.36	496.92	416.29	407.08
Expenditure					
Cost Of Material Consumed	74.73	119.47	161.21	58.40	78.59
Changes in Inventories of finished goods	(4.68)	2.48	(7.40)	0.48	0.19
Employee benefits expenses	137.52	74.49	66.09	77.95	6.98
Finance cost	9.36	5.67	6.64	7.09	12.31
Depreciation expenses	11.87	4.01	6.22	3.54	3.59
Other expenses	159.78	237.14	225.87	233.67	273.91
Total Expenses	388.58	443.26	458.63	381.13	375.57
Profit before tax	71.32	39.10	38.28	35.16	31.49
Tax expense / (Benefit)					
Current tax	12.51	12.78	12.79	10.80	9.63
Deferred tax	9.59	(0.52)	(0.73)	0.12	0.11
Profit after tax	49.21	26.84	26.22	24.24	21.75

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of financial condition and results of operations together with our financial statements included in this Prospectus. The following discussion relates to our Company and is based on our restated financial statements. Our financial statements have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act.

Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.

Business Overview

Our Company was incorporated as Seven Hills Beverages Private Limited on December 11, 2009 under the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Maharashtra, Pune.

We are engaged in the business of manufacturing packaged drinking water for Bisleri International Pvt. Ltd. We operate as "Co-packers" for "Bisleri" wherein we manufacture the bottles at our plant in order to avoid any possible contaminations and carry out the filling of purified water as well as final sealing and packaging. The water purification process is carried out in multiple stages to ensure that the water is free from all forms of bacteria and is in accordance with the process and standards of Bisleri International Pvt. Ltd and also BSI Manual namely IS 14543 : 2004 for Packaged Drinking Water.

Our manufacturing plant spread across almost 2 acres of owned land is located at Dondori, Nashik in the state of Maharashtra. We have been augmenting the manufacturing capacities of this plant from time to time and the plant has a current installed capacity of 32,85,000 boxes (with each box consisting of 12 bottles each). This makes us a strong partner for "Bisleri" in meeting the requirements of packaged drinking water supply in Nashik and areas nearby such as Shirdi, Aurangabad etc. For details of our past capacity utilization please refer "*Our Business – Capacity and Capacity Utilization*" on page no. 83 of this Prospectus.

Our product "packaged drinking water" is available in 5 pack sizes: 250 ml bottles, 500 ml, 1 litre, 2 litre and 20 litre jars. For details, please refer to "*Our Business –Product Portfolio*" on page no. 78 of this Prospectus. We use advanced machinery and production techniques for all the manufacturing activities like bottle manufacturing, water treatment, packaged drinking water (ozonated) etc. We have an in-house testing and quality control system having fully automatic and semi-automatic testing machines, under proper quality control and strict supervision. Our in-house testing facilities are as per the general industry standards. For details, please refer to "*Our Business - Testing and Quality Control*" on page no. 82 of this Prospectus.

Our revenue from operations has grown at a CAGR of 9.14 % from ₹ 675.03 lakhs in 2015 to ₹ 804.12 lakhs in 2017. Further our Operating profits (EBIDTA) has grown at CAGR of 189.96 % from ₹ 59.14 lakhs in 2015 to ₹ 213.42 lakhs in 2017. Our company has declared its first after tax profit in FY 2017 at ₹ 137.09 lakhs.

Significant Developments after March 31, 2017 that may affect our Future Results of Operations

The Directors confirm that there have been no events or circumstances since the date of the last financial statements as disclosed in the Prospectus which materially or adversely affect or is likely to affect the profitability of our Company, or the value of our assets, or our ability to pay liabilities within next twelve months.

Palwe Pest Control Private Limited Financial Information and Pro Forma Financial Information

Palwe Pest Control Private Limited's revenue from operations was ₹ 456.79 lakhs and ₹ 459.66 lakhs and profit after tax was ₹ 49.21 lakhs and ₹ 26.84 lakhs in each of Fiscal 2017 and Fiscal 2016, respectively. The summary of financial statements of Palwe Pest Control Private Limited set forth in the accountants report containing its Statement of Assets and Liabilities at March 31, 2017 2016, 2015, 2014, 2013 and the profit and loss statements for the years ended March 31, 2017, 2016, 2015, 2014 and 2013 are set forth in the section entitled "*Financial Information of Palwe Pest Control Private Limited*" on page no. 147 of this Prospectus.

To assist in understanding the acquisition and consolidation of Palwe Pest Control Private Limited, we have prepared Proforma Financial Statements on a consolidated basis for Fiscal 2017, which are set forth in the section entitled “*Proforma Financial Statements*” on page no. 141 of this Prospectus. Our Proforma Financial Statements have been prepared in accordance with the requirements of paragraph 23 of item (IX)(B) of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended to date issued by the SEBI, on the basis of the assumptions set forth in the notes to the Proforma Financial Statements. Accordingly, our Proforma Financial Statements are illustrative only and should not be taken as an indication of the financial impact of consolidation of Palwe Pest Control Private Limited or our future results of operation, cash flows and financial condition.

Our Proforma Financial Statements have not been prepared in accordance with auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if they had been prepared in accordance with those standards and practices. Accordingly, the degree of reliance placed by investors in other jurisdictions on such proforma information should be limited. In addition, the rules and regulations related to the preparation of pro forma financial information in other jurisdictions may also vary significantly from the basis of preparation as set out in our Notes to the Proforma Financial Statements.

Factors affecting our Result of Operation

Except as otherwise stated in this Prospectus and the Risk Factors given in the Prospectus, the following important factors could cause actual results to differ materially from the expectations include, among others

Revenue Generation

We earn our entire revenue from manufacture and sale of packaged drinking water. Currently we operate a single manufacturing unit at Nashik having an installed capacity of 32,85,000 boxes per annum. Packaged drinking water is consumed by masses in various cities and towns.

The entire marketing operations are handled directly by “Bisleri International Pvt Ltd”. Further we have been allocated a designated market for the sale of the bottles manufactured and packed by us.

Raw Material Cost

Raw Material costs are the largest component of our cost structure. Major raw materials required during the entire manufacturing process are the performs from which the bottles are manufactured. Further, we also purchase the boxes, caps and labels to be pasted on the bottles manufactured by us, which forms a part of our raw material cost. Our total raw material purchases in the last three years constitute approx. 66.20%, 77.04% and 77.55% of our turnover.

Our Financial Expenses

We have term loan and working capital facilities from our bankers. Our profitability is significantly impacted by our financial costs. For the fiscal 2017, 2016 and 2015, our financial expenses were ₹ 33.28 lakhs, ₹ 35.80 lakhs, and ₹ 27.64 lakhs. Our financial growth depends on how well we manage and service our debts.

Our ability to successfully implement its strategy and its growth and expansion plans

Our growth plans are considerable and would put significant demands on our management team and other resources. Any delay in implementation of our strategy and growth and expansion plans could impact our Company’s roll out schedules and cause cost and time over runs.

General economic and business conditions

As a Company with its complete operations in India, we are affected by general economic conditions in the country and in particular economic factors that affect packaged drinking water industry in India. India’s gross domestic product, or GDP, has been and will continue to be of importance in determining our operating results and future growth.

RESULTS OF OUR OPERATIONS
(₹ in lakhs)

Particulars	For the year ended March 31,									
	2017	% of Total Income	2016	% of Total Income	2015	% of Total Income	2014	% of Total Income	2013	% of Total Income
REVENUE:										
Revenue from Operations	804.12	92.07%	639.21	94.72%	675.03	97.53%	558.42	98.00%	581.76	96.05%
Other Income	69.27	7.93%	35.63	5.28%	17.06	2.47%	11.41	2.00%	23.92	3.95%
Total revenue	873.39	100.00%	674.84	100.00%	692.09	100.00%	569.83	100.00%	605.68	100.00%
EXPENSES:										
Cost of materials consumed	532.29	60.95%	492.37	72.96%	523.45	75.63%	455.37	79.91%	454.24	75.00%
Employee benefits expense	10.81	1.24%	23.81	3.53%	16.29	2.35%	32.18	5.65%	20.73	3.42%
Finance cost	33.28	3.81%	35.80	5.31%	27.64	3.99%	29.48	5.17%	40.88	6.75%
Depreciation and amortization expense	47.95	5.49%	66.82	9.90%	39.22	5.67%	45.37	7.96%	52.88	8.73%
Manufacturing and Other expenses	116.86	13.38%	81.22	12.04%	93.21	13.47%	86.69	15.21%	119.71	19.76%
Total expenses	741.20	84.86%	700.03	103.73%	699.80	101.11%	649.08	113.91%	688.44	113.66%
Net Profit / (Loss) before Tax	132.19	15.14%	(25.19)	(3.73)%	(7.71)	(1.11)%	(79.25)	(13.91)%	(82.76)	(13.66)%
Current tax as per income tax	-	-	-	-	-	-	-	-	-	-
Deferred tax adjustment	(4.90)	(0.56)%	(11.28)	(1.67)%	3.58	0.52%	-	-	-	-
Total	(4.90)	(0.56)%	(11.28)	(1.67)%	3.58	0.52%	-	-	-	-
Net Profit / (Loss) for the period after tax and after extra ordinary items	137.09	15.70%	(13.91)	(2.06)%	(11.29)	(1.63)%	79.25	(13.91)%	(82.76)	(13.66)%

Main Components of our Profit and Loss Account

Income

Our total income comprises of revenue from operations and other income.

Revenue from Operations

Our revenue from operations as a percentage of total income was 92.07%, 94.72%, 97.53%, 98.00% and 96.05% in fiscals 2017, 2016, 2015, 2014 and 2013 respectively.

Other Income

Our other income includes mainly interest, discount, rate differences and other miscellaneous income. Other income, as a percentage of total income was 7.93%, 5.28%, 2.47%, 2.00% and 3.95% in fiscals 2017, 2016, 2015, 2014 and 2013 respectively.

Expenditure

Our total expenditure primarily consists of Purchases (Cost of Materials), Employee Benefit Expenses, Finance cost, Depreciation & Amortisation Expenses and Manufacturing & Other Expenses.

Purchases

Costs of Purchases are primarily in relation to purchases of raw materials, packing materials and other materials for the manufacturing of various products.

Employee Benefit Expenses

Expenses in relation to employees' remuneration and benefits include salary, statutory contributions, etc.

Financial Cost

Financial Cost primarily consists of borrowing costs and interest payable on loans availed by our Company from various banks, and entities and also includes Bank Charges.

Depreciation and Amortization Expenses

Depreciation and Amortization Expenses primarily consist of depreciation/amortization on the fixed assets of our Company which primarily includes Plant and Machinery, Factory Building, Vehicles, Furniture and fixtures, Computers and Office Equipments.

Other Expenses

Other expenses primarily include Manufacturing expenses, Office and administrative expenses, Selling and distribution expenses, etc.

Provision for Tax

Income taxes are accounted for in accordance with Accounting Standard – 22 on “Accounting for Taxes on Income” (“AS-22”), prescribed under the Companies (Accounting Standards) Rules, 2006. Our Company provides for current tax as well as deferred tax, as applicable.

Provision for current taxes is made at the current tax rates after taking into consideration the benefits available to our Company under the provisions of the I. T. Act.

Deferred tax arises from the timing differences between book profits and taxable profits that originate in one period and are capable of reversal in one or more subsequent periods and is measured using the tax rates and laws applicable as of the date of the financial statements. Our Company provides for deferred tax asset / liability on such timing differences subject to prudent considerations in respect of deferred tax assets.

Fiscal 2017 compared with fiscal 2016

Income

In fiscal 2017, our total income increased by ₹ 198.55 lakhs or 29.42%, from ₹ 674.84 lakhs in fiscal 2016 to ₹ 873.39 lakhs in fiscal 2017. The increase in the year 2017 is due to higher revenue from sale of products as compared to last year.

Other income increased by ₹ 33.63 lakhs or 94.38%, from ₹ 35.63 lakhs in fiscal 2016 to ₹ 69.27 lakhs in fiscal 2017. The major factor for such increase is due to receipt of a subsidy from the government.

Purchases

The purchases in fiscal 2017 were ₹ 580.56 lakhs, an increase of ₹ 92.85 lakhs or 19.04% as compared to the previous year purchases of ₹ 487.70 lakhs in fiscal 2016. The increase was mainly due to considerable increase in purchase of raw materials and packing material.

Employee Benefit Expenses

Our staff cost decreased by ₹ 13.00 lakhs or 54.58%, from ₹ 23.81 lakhs in fiscal 2016 to ₹ 10.81 lakhs in fiscal 2017. This decrease was mainly due to staff/ employee turnover in financial year 2016-17.

Financial Cost

Financial cost during the year decreased by ₹ 2.53 lakhs or 7.05% from ₹ 35.80 lakhs in fiscal 2016 to ₹ 33.28 lakhs in fiscal 2017. The decline was due to decrease in interest on fund based (long term and short term) facilities and other unsecured loans.

Depreciation and Amortization Expenses

Depreciation and Amortisation expenses decreased by ₹ 18.88 lakhs, from ₹ 66.82 lakhs in fiscal 2016 to ₹ 47.95 lakhs in fiscal 2017. This decrease was on account of reduction in the carrying amount of the fixed assets on which depreciation is charged.

Other Expenses

Other expenses increased by ₹ 35.64 lakhs or 43.88% from ₹ 81.22 lakhs in fiscal 2016 to ₹ 116.86 lakhs in fiscal 2017. The increase was due to increase in direct expenses and office and administrative expenses during the year.

Profit before Tax

Due to better efficiency and effective cost management of our overall expenses, our Profit before tax increased by ₹ 157.38 lakhs from ₹ (25.19) lakhs in fiscal 2016 to ₹ 132.19 lakhs in fiscal 2017.

Profit after Tax

After accounting for taxes at applicable rates, our Profit after Tax increased by ₹ 151.00 lakhs, from ₹ (13.91) lakhs in fiscal 2016 to ₹ 137.09 lakhs in fiscal 2017.

Fiscal 2016 compared with fiscal 2015

Income

Our total income decreased by ₹ 35.81 lakhs or 5.31% from ₹ 675.03 lakhs in fiscal 2015 to ₹ 639.21 lakhs in fiscal 2016. The decrease in income was due to decrease in sale of products as compared to last year.

Other income increased by ₹ 18.57 lakhs or 108.82%, from ₹ 17.06 lakhs in fiscal 2015 to ₹ 35.63 lakhs in fiscal 2016. The reason for such increase was due to discount received, rate difference and accrued interest.

Purchases

The purchases in fiscal 2016 decreased by ₹ 31.08 lakhs or 5.94% i.e. from ₹ 523.45 lakhs in fiscal 2015 to ₹ 492.37 lakhs in fiscal 2016. The above decrease was majorly due to decrease in our scale of operations.

Employee Benefit Expenses

Our staff costs increased by ₹ 7.52 lakhs or 46.17%, from ₹ 16.92 lakhs in fiscal 2015 to ₹ 23.81 lakhs in fiscal 2016. This increase was mainly due to increase annual increments in Staff salaries and contribution to provident and other funds.

Financial Cost

Financial cost during the year increased by ₹ 8.16 lakhs or 29.54% from ₹ 27.64 lakhs in fiscal 2015 to ₹ 35.80 lakhs in fiscal 2016. The increase was due to increase in interest on cash credit and other borrowing costs i.e. bank charges and bank commission

Depreciation Expenses

Depreciation expenses increased by ₹ 27.61 lakhs, from ₹ 39.22 lakhs in fiscal 2015 to ₹ 66.82 lakhs in fiscal 2016, mainly on account of increase in Fixed Assets, office equipments and computer systems and other assets and equipments.

Other Expenses

Other Expenses decreased by ₹ 11.98 lakhs or 12.86% in fiscal 2016, from ₹ 93.21 lakhs in fiscal 2015 to ₹ 81.22 lakhs in fiscal 2016. The cause of decrease was mainly due to decreased in manufacturing expenses and office and administrative expenses during the year.

Profit before Tax

PBT decreased by ₹ (17.48) lakhs or 226.68% as compared from ₹ (7.71) lakhs in fiscal 2015 to ₹ (25.19) lakhs in fiscal 2016. Decreased in our revenue is due decrease in our revenues.

Profit after Tax

After accounting for taxes at applicable rates, our profit after tax increased by ₹ (2.61) lakhs from ₹ (11.29) lakhs in fiscal 2015 to ₹ (13.91) lakhs in fiscal 2016.

Fiscal 2015 compared with fiscal 2014

Income

Our total income increased by ₹ 116.61 lakhs or 17.27% from ₹ 558.42 lakhs in fiscal 2014 to ₹ 675.03 lakhs in fiscal 2015. The increase in income was due to increase in scale of our operations resulting in higher revenue from sale of products as compared to last year.

Other income increased by ₹ 5.65 lakhs or 33.13%, from ₹ 11.41 lakhs in fiscal 2014 to ₹ 17.06 lakhs in fiscal 2015. The reason for such increase was due to discount received.

Purchases

The purchases in fiscal 2015 increased by ₹ 68.08 lakhs or 13.01% i.e. from ₹ 455.37 lakhs in fiscal 2014 to ₹ 523.45 lakhs in fiscal 2015. The above increase was majorly due to increase in our scale of operations.

Employee Benefit Expenses

Our staff costs decreased by ₹ 15.89 lakhs or 97.53%, from ₹ 32.18 lakhs in fiscal 2014 to ₹ 16.29 lakhs in fiscal 2015.

Financial Cost

Financial cost during the year decreased by ₹ 1.84 lakhs or 6.65% from ₹ 29.48 lakhs in fiscal 2014 to ₹ 27.64 lakhs in fiscal 2015. The decline was due to decrease in interest on fund based (long term and short term) facilities and other unsecured loans.

Depreciation Expenses

Depreciation expenses decreased by ₹ 6.15 lakhs, from ₹ 45.37 lakhs in fiscal 2014 to ₹ 39.22 lakhs in fiscal 2015. This decrease was on account of reduction in the carrying amount of the fixed assets on which depreciation is charged.

Other Expenses

Other Expenses increased by ₹ 6.51 lakhs or 6.99% in fiscal 2015, from ₹ 86.69 lakhs in fiscal 2014 to ₹ 93.21 lakhs in fiscal 2015. The cause of increased was mainly due to increased in manufacturing expenses and office and administrative expenses during the year.

Profit before Tax

PBT increased by ₹ 71.54 lakhs as compared from of ₹ (79.25) lakhs in fiscal 2014 to ₹ (7.71) lakhs in fiscal 2015. Increase in our revenue is due to better management of our overall expenses and corresponding increase in our revenues.

Profit after Tax

After accounting for taxes at applicable rates, our profit after tax was ₹ (79.25) lakhs in fiscal 2014 to ₹ (11.29) lakhs in fiscal 2015.

Cash Flows

(₹ in lakhs)

Particulars	Year ended March 31,			
	2017	2016	2015	2014
Net Cash from Operating Activities	251.94	91.12	18.69	(67.02)
Net Cash from Investing Activities	(167.16)	(136.62)	(2.44)	(0.29)
Net Cash used in Financial Activities	(55.08)	58.49	(45.58)	71.43
Net Increase / (Decrease) in Cash and Cash equivalents	33.85	4.16	(8.83)	20.50

Cash Flows from Operating Activities

Net cash from operating activities in fiscal 2017 was ₹ 251.94 lakhs as compared to the PBT of ₹ 132.19 lakhs for the same period. This difference is primarily on account of changes in trade receivables, inventories, other current assets and other current liabilities.

Net cash from operating activities in fiscal 2016 was ₹ 91.12 lakhs as compared to the PBT of ₹ (25.19) lakhs for the same period. This difference is primarily on account of changes in trade payables, trade receivables, and inventories other current assets and other current liabilities.

Net cash from operating activities in fiscal 2015 was ₹ 18.69 lakhs as compared to the PBT of ₹ (7.71) lakhs for the same period. This difference is primarily on account of changes in trade receivable, trade payables, other current assets and other current liabilities.

Cash Flows from Investment Activities

In fiscal 2017, the net cash invested in Investing Activities was negative ₹ 167.16 lakhs. This was on account of purchase of non current investment and Long Term Loans and Advances Given.

In fiscal 2016, the net cash invested in Investing Activities was negative ₹ 136.62 lakhs. This was on account of purchase of fixed assets and Long Term Loans and Advances Given.

In fiscal 2015, the net cash invested in Investing Activities was negative ₹ 2.44 lakhs. This was on account of purchase of fixed assets.

Cash Flows from Financing Activities

Net cash from financing activities in fiscal 2017 was negative ₹ 55.08 lakhs. This was on account of decrease in long term borrowings and payment of interest paid.

Net cash from financing activities in fiscal 2016 was positive ₹ 58.49 lakhs. This was on account of increase in long term borrowings and payment of interest paid.

Net cash from financing activities in fiscal 2014 was negative ₹ 45.58. This was on account of decrease in long term borrowings and payment of interest paid.

OTHER MATTERS

1. Unusual or infrequent events or transactions

Except as described in this Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

2. Significant economic changes that materially affected or are likely to affect income from continuing Operations

Other than as described in the Section titled “*Financial Information*” and chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*”, beginning on pages nos. 120 and 151 respectively of this Prospectus respectively, to our knowledge there are no significant economic changes that materially affected or are likely to affect income from continuing Operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations

Other than as described in the chapter titled “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Conditions and Result of Operations*”, beginning on page nos. 10 and 151 respectively of this Prospectus respectively to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

4. Future relationship between Costs and Income

Other than as described in the chapter titled “*Risk Factors*” beginning on page no. 10 of this Prospectus, to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

5. The extent to which material increases in revenue or income from operations are due to increased volume, introduction of new products or services or increased prices

Increases in revenues are by and large linked to increases in volume of business activity carried out by the Company.

6. Total turnover of each major industry segment in which our Company operates.

The Company is a package drinking Company. Our Company operates under a single segment. Relevant industry data, as available, has been included in the chapter titled “*Industry Overview*” beginning on page no. 67 of this Prospectus.

7. Status of any publicly announced new products or business segments

Please refer to the chapter titled “*Our Business*” beginning on page no. 75 of this Prospectus.

8. The extent to which the business is seasonal.

Our business is not seasonal in nature.

9. Any significant dependence on a single or few suppliers or customers

We are depended only on single customer for our total revenue.

10. Competitive Conditions

There is competition in packaged drinking water under different brands, since packaged drinking water segment is highly fragmented in India. The key brands with which our products would compete for sales and shelf space are “Aquafina”, “Bailey”, “Himalaya”, and “Evian” among other smaller brands. With respect to “Bisleri” alone; we believe that we face lesser competitive pressures as there is no other manufacturing with such a tie-up with “Bisleri” in the Nashik region.

As per the agreement with Bisleri International Pvt. Ltd, we are the main suppliers for meeting the requirements of Nashik, Shirdi, Aurangabad and other near-by areas of West Maharashtra. In case of non-fulfillment of the water supply, Bisleri International Pvt. Ltd can acquire the packaged drinking water bottles from other suppliers. However; we believe that we have enough unutilized capacity currently to ramp up operations if demand increases substantially in the region.

FINANCIAL INDEBTEDNESS

Set forth below, is a brief summary of our Company's borrowings as on March 31, 2017 together with a brief description of certain significant terms / material covenants of the relevant financing arrangements.

Nature of Borrowing	Amount (₹ in lakhs)
Secured Borrowings ⁽¹⁾	103.77
Total	103.77

⁽¹⁾Includes ₹ 11.35 Lakhs shown under Other Current Liabilities as 'Current Maturities of Long Term Debt'

Details of Secured Loans

(₹ in Lakhs)

Name of Lenders	Type of Loan	Date of Sanction	Amount Sanctioned	Amount outstanding as on March 31, 2017	Interest (in % p.a.)	Repayment Schedule	Security
HDFC Bank	Cash Credit	03/03/2017	150.00	75.13	MCLR +1.85% p.a. (i.e. 10.00%)	Facility valid upto February 20, 2018.	See Note 1
The Karur Vyasya Bank	Term Loan	17/04/2015	75.00	28.63	BR + 4% p.a. (i.e. 14.75%)	Repayment by 72 equal monthly instalment starting from April 17, 2015.	See Note 2

The Security offered for the above mentioned loans include Immovable Property, movable fixed assets and current assets, details of which are as mentioned below:

Note 1: Hypothecation of stock and Book Debts. Further, collateral security by way of Factory located at Gat No.206, Khatwad Phata, Vill - Pimpalnere, Tal. Dindori, Nashik- 422 004.

Note 2: Hypothecation of Plant and Machinery to be purchased as well as existing Machinery already available as on March 31, 2014. Additional security by way of Equitable Mortgage charge on Commercial Godown situated at Gat. No. 301/C & 302/2, Madsangavi Gaon, Nasik - Aurangabad road, Nasik – 422 003.

Further secured by Equitable Mortgage charge on Factory Land and Building located at Nashik. Further, Personal guarantee is given by all the Directors of the Company and the title holders of the Property in their individual capacity.

RESTRICTIVE / NEGATIVE COVENANTS

The above loan agreements includes various restrictive covenants in relation to certain actions to be undertaken by our Company and for which prior written approval of the Bank(s) is required. The major restrictive covenants (which require prior approval) are mentioned below: (some of these may be common across all banks, while some may be specific to a particular bank).

1. Our Company shall not divert any funds to any purpose and launch any new scheme of expansion without prior permission of the Bank;
2. Our Company shall not declare dividends/ withdraw any amount in any form of salary/ remuneration/ incentive/ commission by the Promoters/ Directors in case of overdue with the Bank;
3. Our Company shall not have any accounts with other Banks / Financial institutions (for sole banking). Our Company shall not avail any credit facility with other banks by way of fund based and/ or non-fund based limits, without the knowledge and concurrence of the Bank;

4. Our company shall not transfer, sell, lease, grant on license or create any third party interest of any nature or whatsoever on the Security without the prior written consent of the Bank;
5. Our Company shall be charges penal interest at 3% over and above the applicable interest rate in case of any irregularities/ non-compliance in the conduct of the accounts or default/ delay in repayment of instalment;
6. Guarantors to our Company, cannot issue any Personal Guarantee for any other loans without prior written permission of the Bank except for Car Loans, Personal Loans, Home Loans, Education Loans to be obtained for self and family members;
7. Our Company shall not pay any consideration whether by way of Commission, Brokerage, Fees or any other form to Guarantors in whatever form, directly or indirectly for the issuance of the guarantee as security for the Facility.

SECTION VII- LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no:

A. (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; or (iv) Material Litigation (as defined below); involving our Company, Directors, Promoters, Associate Companies, Subsidiary or Group Companies. Our Board, in its meeting held on May 31, 2017, determined that outstanding legal proceedings involving the Company, Directors, Promoters, Associate Companies, Group Companies and Subsidiary which are above a claim amount equal to or exceeding ₹ 1 lakh as material. (“**Material Litigation**”).

B. (i) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoters during the last five years; (ii) pending proceedings initiated against our Company for economic offences; (iv) default and non-payment of statutory dues by our Company; (v) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies law in the last five years against our Company; or (vi) material frauds committed against our Company in the last five years.

Our Board of Directors considers dues owed by our Company to the small scale undertakings and other creditors exceeding ₹ 1 lakh as material dues for our Company. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on May 31, 2017.

Our Company, Directors, Promoters, Associate Companies, Subsidiary and Group Companies are not Wilful Defaulters and there have been no violations of securities laws in the past or pending against them.

All terms defined in a particular litigation are for that particular litigation only.

CONTINGENT LIABILITIES OF OUR COMPANY

NIL

LITIGATION INVOLVING OUR COMPANY

A. LITIGATION AGAINST OUR COMPANY

1. Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

Direct tax Proceedings

NIL

(ii) Indirect Taxes Liabilities

Indirect tax Proceedings

NIL

4. Other Pending Litigations

NIL

B. CASES FILED BY OUR COMPANY

1. Litigation Involving Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

LITIGATION INVOLVING OUR DIRECTORS

A. LITIGATION AGAINST OUR DIRECTORS

1. Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

B. LITIGATION FILED BY OUR DIRECTORS

1. Litigation Involving Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

LITIGATION INVOLVING OUR PROMOTERS

A. LITIGATION AGAINST OUR PROMOTERS

1. Litigation Involving Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

B. LITIGATION FILED BY OUR PROMOTERS

1. Litigation Involving Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

LITIGATION INVOLVING OUR ASSOCIATE / GROUP COMPANIES

A. LITIGATION AGAINST OUR ASSOCIATE /GROUP COMPANIES

1. Litigation involving Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

B. LITIGATION FILED BY OUR ASSOCIATE /GROUP COMPANIES

1. Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

LITIGATION INVOLVING OUR SUBSIDIARY

A. LITIGATION AGAINST OUR SUBSIDIARY

1. Litigation involving Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(iii) Direct Tax Liabilities

NIL

(iv) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

B. LITIGATION FILED BY OUR SUBSIDIARY

1. Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(iii) Direct Tax Liabilities

NIL

(iv) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

Except as disclosed in this chapter, there are no outstanding criminal proceedings; actions by statutory or regulatory authorities; claims relating to direct and indirect taxes; or Material Litigation (as defined above), involving any of our Associate Companies, Group Companies or Subsidiary.

There are no litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoters during the last 5 (five) years.

There are no litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoters during the last 5 (five) years.

Pending proceedings initiated against our Company for economic offences.

There are no pending proceedings initiated against our Company for economic offences.

Inquiries, investigations etc. instituted under the Companies Act, 2013 or any previous companies enactment in the last 5 (five) years against our Company.

There are no inquiries, investigations etc. instituted under the Companies Act or any previous companies enactment in the last 5 (five) years against our Company.

Material Fraud against our Company in the last 5 (five) years

There has been no material fraud committed against our Company in the last 5 (five) years.

Fines imposed or compounding of offences for default

There are no fines imposed or compounding of offences done in the last 5 (five) years immediately preceding the year of the Prospectus for the Company for default or outstanding defaults.

Non-Payment of Statutory Dues

There have been no defaults or outstanding defaults in the payment of statutory dues payable by the Company as of the date of the last audited financial statements of the Company.

Amounts owed to small scale undertakings and other creditors

As of March 31, 2017, our Company owes the following amounts to small scale undertakings, other creditors and material creditors:

Particulars	Number of creditors	Amount Involved (in ₹ lakhs)
Small scale undertakings	0	0
Material Creditors	13	65.45
Other Creditors	16	4.81
Total	29	70.26

Details in relation to the amount owed by our Company to material creditors, small scale undertakings and other creditors as on March 31, 2017 are also available on www.sevenhillsbeverages.in

It is clarified that information provided on the website of our Company is not a part of this Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, would be doing so at its own risk.

Material developments occurring after last balance sheet date

Except as disclosed elsewhere in this Prospectus, there have been no material developments that have occurred after the Last Balance Sheet Date.

GOVERNMENT AND OTHER KEY APPROVALS

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities. In view of the approvals listed below, we can undertake the Issue and our current/ proposed business activities and no further major approvals from any governmental/regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.

The main objects clause of the Memorandum of Association of the Company and the objects incidental, enable our Company to carry out its activities.

Approvals for the Issue

1. The Board of Directors have, pursuant to Section 62(1)(c) and other applicable provisions of the Companies Act 2013, by a resolution passed at its meeting held on May 27, 2017, authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of our Company have, pursuant to Section 62(1)(c) and other applicable provisions of the Companies Act, 2013, by a special resolution passed in the Extra Ordinary General Meeting held on May 30, 2017, authorized the Issue.
3. In-principle approval dated July 19, 2017 from the National Stock Exchange of India Limited (NSE) for listing of the Equity Shares issued by our Company pursuant to the Issue.
4. Our Company's International Securities Identification Number ("ISIN") is INE022Y01016.

Approvals pertaining to Incorporation, name and constitution of our Company

1. Certificate of Incorporation, dated December 11, 2009 issued by the Registrar of Companies, Pune, Maharashtra ("RoC") in the name of "Seven Hills Beverages Private Limited".
2. Certificate of Incorporation Consequent upon Conversion to Public Limited Company dated May 26, 2017 issued by RoC evidencing the change of name of Company from "Seven Hills Beverages Private Limited" to "Seven Hills Beverages Limited".
3. Certificate of Registration of the Order of Regional Director confirming transfer of the registered office within the same State dated June 21, 2017. The Company's registered office has been changed from the jurisdiction of RoC - Pune to the jurisdiction of RoC-Mumbai.
4. The Corporate Identity Number (CIN) of the Company is U15500MH2009PLC296411.

I. GENERAL APPROVALS

1. The Company has obtained registration under Factories Act, 1948 dated May 24, 2017 bearing registration no. 12160259200025920 and it is valid till December 31, 2023. The factory is situated at 206, Pimpalnare, Khatwad Phata, Dindori Road, Dindori Nashik, Maharashtra, 422 004.
2. The Company has obtained Certificate of Registration No. 1720600311096331 under the Maharashtra Shops and Establishments Act, 1948 for its corporate office located at 302 Divine Tej, Croma Showroom Jawal, Thatte Nagar, College Road, Nashik - 422005. The Certificate was issued on May 25, 2017 and is valid until May 25, 2020.
3. The Company has obtained an Entrepreneurs Memorandum bearing Number 270201203285 PART I dated April 27, 2010 for the manufacturing of Beverages and Food Production and an Entrepreneurs Memorandum bearing Number 270201204543 PART II dated December 30, 2011 for the manufacturing of Mineral Water and Packaged drinking water from the District Industries Centre, Nashik.

4. The Company has obtained a License bearing No. 11514029000772 dated May 19, 2014 issued by the Assistant Commissioner (Food) Food & Drug Administration (M.S.), Nashik for manufacturing of Packaged Drinking Water other than Mineral Water. This License is valid up to December 31, 2018.
5. The Company has obtained a BIS Certification Marks License bearing No. CM/L-3720251 as per IS 14543:2004 dated May 30, 2011 issued by the Bureau of Indian Standards for Packaged Drinking Water (other than Packaged Natural Mineral Water). The licence covers 250ml, 500ml, 1 litre and 2 litres PET bottles and 5 litre and 20 litre PET jars only. Vide Endorsement No. 7 dated June 14, 2017, the License is renewed and valid up to May 29, 2018.
6. Vide a letter dated August 30, 2010, the Company has obtained No-Objection Certificate from Grampanchayat Pimpalnare to establish a factory
7. Vide a letter dated February 01, 2011, the Company has obtained permission from Palkhed Irrigation Department, Nashik for lifting 0.0651mcumraw water annually from reservoir of Palkhed Dam.

II. TAX RELATED APPROVALS

Sr. No.	Description	Registration/Approval/Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
1.	Permanent Account Number (PAN)	AANCS6372D	Income Tax Department, Government of India	December 11, 2009	Valid until cancelled
2.	Tax Deduction Account Number (TAN)	PNES30128A	Income Tax Department, Government of India	November 03, 2010	Valid until cancelled
3.	Certificate of Registration under the Maharashtra Value Added Tax Act, 2002	27535228296V	Sales Tax Officer, Nashik	June 20, 2012 <i>Effective Date:</i> March 04, 2010	Valid until cancelled
4.	Certificate of Registration issued under Central Sales Tax (Registration and Turnover) Rules, 1957	27535228296C	Sales Tax Officer, Nashik	June 20, 2012 <i>Effective Date:</i> March 04, 2010	Valid until cancelled
5.	Service Tax Code issued under the Finance Act, 1994 with respect to registered office situated at GAT NO. 206, KhatwadPhata, Pimpalnare, Taluka, Dindori, Nashik	AANCS6372DSD001	Ministry of Finance, Department of Revenue	December 07, 2011	Valid until cancelled
6.	Central Excise Registration Certificate under Central Excise Rules, 2002 for operating as a Manufacturer of Excisable Goods	AANCS6372DEM001	Central Board of Excise and Customs	February 03, 2011	Valid until cancelled

7. The Company has obtained Certificate of Registration bearing no. 27535228296P and Certificate of Enrolment bearing no. 99601788565P under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975.
8. The Company has obtained Certificate of Provisional Registration dated June 28, 2017 bearing no. 27AANCS6372D1Z2 under Central Goods and Service Tax Act, 2017.

III. LABOUR RELATED APPROVALS

Sr. No.	Description	Registration/ Approval/ Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
1.	Registration under Employees Provident Funds & Miscellaneous Provisions Act, 1952.	Code No: MH/NSK/56829	Assistant Provident Fund Commissioner, Nasik, Maharashtra	July 04, 2012	Valid until cancelled
2.	Registration under the Employee's State Insurance Act, 1948.	36000017990000008	Assistant/ Deputy Director, Employees' State Insurance Corporation, Nashik	April 12, 2017	Valid until cancelled

IV. Pending Approvals

C. Approvals for which application has been made:

- a. Vide Application bearing no. MPCB-CONSENT-0000025190, the Company has made an application for Consent to Establish (Expansion) under the Water (Prevention & Control of Pollution) Act, 1974, the Air (Prevention & Control of Pollution) Act, 1981 and Authorization under the Hazardous Wastes (Management and Handling) Rules, 1989.

D. Approvals for which the Company is under process of making application:

- a. The Company is in process of making an application for renewal bearing no. RON/NASHIK/CEN-522/922 of Consent to Operate under the Water (Prevention & Control of Pollution) Act, 1974, the Air (Prevention & Control of Pollution) Act, 1981 and Authorization under the Hazardous Wastes (Management, Handling & Transboundary Movement) Rules, 2008.

SECTION VIII – OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board of Directors have vide resolution dated May 27, 2017 authorized the Issue, subject to the approval by the shareholders of our Company under Section 62 (1) (C) of the Companies Act, 2013.

The shareholders have authorized the Issue, by passing a Special Resolution at the Extra-Ordinary General Meeting held with a shorter notice on May 30, 2017, in accordance with the provisions of Section 62 (1) (C) of the Companies Act, 2013.

The Company has obtained approval from NSE vide letter dated July 19, 2017 to use the name of NSE in this Offer Document for listing of equity shares on the SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE. NSE is the designated stock exchange.

Prohibition by SEBI, the RBI or Governmental Authorities

We confirm that there is no prohibition on our Company, its Directors, Promoters and entities forming part of our Promoter Group from accessing the capital market or operating in the capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

We further confirm that none of our Company, its Promoters, relatives of Promoters (as defined under Companies Act, 2013); its Directors and its Group Companies have been identified as wilful defaulters by the RBI or other authorities.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India.

Association with Securities Market

We confirm that none of our Directors are associated with the Securities Market in any manner and no action has been initiated against these entities by SEBI at any time except as stated under the chapters titled “*Risk Factors*”, “*Our Promoters and Promoter Group*” and “*Outstanding Litigations and Material Developments*” beginning on page nos. 10, 111 and 162 respectively, of this Prospectus.

Eligibility for the Issue

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulation; and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

This Issue is being made in terms of Regulation 106 (M) (1) of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, a Company whose post Issue face value capital does not exceed ten crores rupees, shall Issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE).

We confirm that:

- a) In accordance with Regulation 106 (P) of the SEBI (ICDR) Regulations, this issue has been hundred percent underwritten and that the Lead Manager to the Issue has underwritten more than 15% of the total Issue Size. For further details pertaining to the said underwriting please see “*General Information- Underwriting*” on page no. 43 of this Prospectus.
- b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

- c) In accordance with Regulation 106(O) of the SEBI (ICDR) Regulations, we have not filed any Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we have entered into an agreement with the Lead Manager and the Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issue. For further details of the arrangement of Market Making, please see “General Information- Details of the Market Making Arrangements for this Issue” on page no. 44 of this Prospectus.
- e) Our Company has been incorporated under the Companies Act 1956, in India.
- f) The Net worth (excluding revaluation reserves) of our Company is positive as per the latest audited financial results and we have a positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years.
- g) Our Company has track record of at least 3 years.
- h) Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- i) Our Company has not been in defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) during the past three years.
- j) There is no winding up petition against the company, which has been admitted by a Court of competent jurisdiction.
- k) There has been no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against our company.
- l) As on the date of this Prospectus, our Company has a paid up capital of ₹ 373.00 lakhs (₹ 3.73 crores), which is in excess of ₹ 3 crore, and the Post Issue Capital will be of ₹ 581.00 lakhs (₹ 5.81 crores).
- m) Our company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.
- n) We have a website: www.sevenhillsbeverages.in

We further confirm that we shall be complying with all other requirements as laid down for such issue under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, ARYAMAN FINANCIAL SERVICES LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE PROSPECTUS, THE LEAD MERCHANT BANKER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, ARYAMAN FINANCIAL SERVICES LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED AUGUST 09, 2017 WHICH READS AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID 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 PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
 - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - C. THE DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE COMPANIES ACT, 2013 (TO THE EXTENT NOTIFIED), THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.
5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING OF THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE 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 PROSPECTUS.
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE

COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER. – NOT APPLICABLE

8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE "MAIN OBJECTS" LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. - COMPLIED WITH.
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 73 OF THE COMPANIES ACT, 1956 (SECTION 40 OF COMPANIES ACT, 2013) AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE 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. ALL MONIES RECEIVED OUT OF THE ISSUE SHALL BE CREDITED/ TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE PROSPECTUS:
 - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER, AND
 - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE– NOTED FOR COMPLIANCE.
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF

CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

16. WE ENCLOSE STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR (PLEASE SEE “ANNEXURE A” FOR FURTHER DETAILS).
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS - COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS CERTIFIED BY M/S. BHUTA SHAH & CO. LLP., CHARTERED ACCOUNTANTS (FIRM REGISTRATION NUMBER: 101474W/W100100) PURSUANT TO THEIR REPORT DATED MAY 31, 2017.

THE FILING OF THIS OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT, 1956 (SECTION 34 OR SECTION 36 OF THE COMPANIES ACT, 2013) OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MERCHANT BANKER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.

Note:

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of section 26 of the Companies Act, 2013.

ADDITIONAL CONFIRMATIONS/ CERTIFICATIONS TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE

1. WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE 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 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.
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.
5. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISOR TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE PROSPECTUS.

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.

Disclaimer from our Company, Directors and the Lead Manager

Our Company, the Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

CAUTION

The Lead Manager accepts no responsibility, save to the limited extent as provided in the MoU for Issue Management entered into among the Lead Manager and our Company dated June 01, 2017, the Underwriting Agreement dated June 01, 2017 entered into among the Underwriter and our Company and the Market Making Agreement dated June 01, 2017, entered into among the Market Maker, Lead Manager and our Company.

All information shall be made available by us and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres or elsewhere.

Note:

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not 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 Underwriter and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India including Indian nationals resident in India (who are not minors, except through their legal guardian), Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. The Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer Clause of the SME Platform of NSE

"As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/101150 dated July 19, 2017 permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue

to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.”

Disclaimer Clause under Rule 144A of the U.S. Securities Act

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applicants may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Filing

The Draft Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the offer document in term of Reg. 106 (O) (1). However, a copy of the Prospectus shall be filed with SEBI at Corporation Finance Department, Plot No. C4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051.

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 100, Everest, Marine Drive, Mumbai – 400 002.

Listing

An application shall be made to SME Platform of NSE for obtaining permission for listing of the Equity Shares being offered and sold in the Issue on its SME Platform after the allotment in the Issue. NSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by NSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. The allotment letters shall be issued or application money shall be refunded / unblocked within eight days from the closure of the Issue or such lesser time as may be specified by Securities and Exchange Board or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent per annum for the delayed period as prescribed under Companies Act, 2013, the SEBI (ICDR) Regulations and other applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of NSE mentioned above are taken within 6 Working Days of the Issue Closing Date.

The Company has obtained approval from NSE vide letter dated July 19, 2017 to use the name of NSE in this Offer document for listing of equity shares on SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE.

Price Information of past issues handled by the Lead Manager

Sr. No.	Issue Name	Issue size (₹ Cr.)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing	
1.	CKP Products Ltd	6.24	50	09/05/2017	50.00	2.00%	3.55%	0.90%	7.92%	N.A.	N.A.
2.	Octaware Technologies Ltd	8.60	90	03/04/2017	91.00	0.11%	-0.05%	0.83%	3.38%	N.A.	N.A.
3.	Prime Customer Services Ltd	7.28	60	31/03/2017	60.10	8.00%	1.01%	56.25%	4.18%	N.A.	N.A.
4.	Manas Properties Ltd	39.96	360	30/03/2017	360.55	0.83%	0.91%	1.11%	4.00%	N.A.	N.A.
5.	Maximus International Ltd	3.77	25	30/03/2017	23.00	1.20%	0.91%	0.20%	4.00%	N.A.	N.A.
6.	IFL Enterprises Ltd	3.25	20	21/03/2017	19.80	-25.05%	-0.21%	-50.00%	6.19%	N.A.	N.A.
7.	Tanvi Foods (India) Ltd	6.60	60	02/03/2017	65.00	0.83%	2.71%	3.17%	8.00%	N.A.	N.A.
8.	Diksat Transworld Ltd	18.43	40	18/10/2016	40.75	6.25%	-6.50%	27.50%	-2.75%	35.63%	5.03%
9.	Valiant Organics Ltd	21.22	220	14/10/2016	264.00	105.75%	-3.09%	78.18%	-1.54%	120.91%	7.12%
10.	Mitsu Chem Plast Ltd	9.51	95	09/09/2016	96.00	0.79%	-2.56%	20.53%	-7.30%	38.95%	0.36%

Summary Statement of Disclosure

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPOs trading at discount - 30 th calendar day from listing day			Nos. of IPOs trading at premium - 30 th calendar day from listing day			Nos. of IPOs trading at discount - 180 th calendar day from listing day			Nos. of IPOs trading at premium - 180 th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2017-18	2 ⁽¹⁾	14.84	-	-	-	-	-	2	-	-	-	-	-	-
2016-17	10	147.26	-	1	-	1	-	8	-	-	-	1	3	1
2015-16	3	15.90	-	-	-	-	-	3	-	-	-	1	1	1

⁽¹⁾ Details indicated in 2017-18 are for the IPOs completed as on date.

Notes:

- Since the listing date of CKP Products Limited, Octaware Technologies Limited, Prime Customer Services Limited, Manas Properties Limited, Maximus International Limited, IFL Enterprises Limited and Tanvi Foods (India) Limited was May 09, 2017, April 03, 2017, March 31, 2017, March 30, 2017, March 30, 2017, March 21, 2017 and March 02, 2017 respectively, information related to closing price and benchmark index as on 180th calendar day from the listing date is not available.
- The respective Designated Stock Exchange for each Issue has been considered as the Benchmark index for each of the above Issues.

c) *In the event any day falls on a holiday, the price/index of the immediate preceding working day has been considered. If the stock was not traded on the said calendar days from the date of listing, the share price is taken of the immediately preceding trading day.*

d) *Source: www.bseindia.com and www.nseindia.com and BSE Sensex and NSE Nifty as the Benchmark Index.*

Track record of past issues handled by the Lead Manager

For details regarding the track record of the Lead Manager to the Issue as specified in Circular reference CIR/MIRSD/1/ 2012 dated January 10, 2012 issued by the SEBI, please see the website of Aryaman Financial Services Limited – www.afsl.co.in

Consents

Consents in writing of: (a) The Directors, the Chief Financial Officer, Company Secretary & Compliance Officer, Banker(s) to the Company, the Statutory Auditor; and (b) the Lead Manager, the Peer Review Auditor, Registrar to the Issue, the Legal Advisors to the Issue, Lender(s) to the Company, Banker to the Issue, Market Maker and Underwriters to act in their respective capacities, have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Section 26 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, M/s. Bhuta Shah & Co. LLP., Chartered Accountants, Peer Review Auditors and M/s. Ketan K. Kabra and Associates, Chartered Accountants, Statutory Auditors have provided their written consent to the inclusion of their reports dated May 31, 2017 on Restated Financial Statements and June 01, 2017 on Statement of Tax Benefits, respectively, which may be available to the Company and its shareholders, included in this Prospectus in the form and context in which they appear therein and such consents and reports have not been withdrawn up to the time of filing of this Prospectus.

Expert Opinion

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

Our Company has received written consent from the Auditor namely, M/s. Bhuta Shah & Co. LLP., Chartered Accountants, (Peer Review Auditors) and M/s. Ketan K. Kabra and Associates, Chartered Accountants, (Statutory Auditors) to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the reports on the Restated Financial Statements dated May 31, 2017 and the Statement of Tax Benefits dated June 01, 2017, issued by them, included in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus.

However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

ISSUE RELATED EXPENSES

Issue related expenses include underwriting and Issue management fees, selling commission, distribution expenses, market making charges, legal fees, fees to advisors, printing and stationery costs, advertising expenses, listing fees payable to the Stock Exchange, and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchange, including fees payable to Depositories is given below: Same as object of the Issue

The details of estimated Issue expenses are set forth below:

Sr. No.	Particulars	Amount (₹ in lakhs)	% of Total Expenses	% of Total Issue size
1	Issue Management fees including fees to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	35.00	67.31%	8.41%
2	Brokerage and Selling Commission, Underwriting Commission, RTAs and CDPs	2.00	3.85%	0.48%
3	Advertisement, Printing & Stationery, Marketing Expenses, etc.	5.00	9.62%	1.20%
4	Listing Fees, Market Making fees (1 st year), Market Regulatory & Other Expenses	10.00	19.23%	2.40%
	Total	52.00	100.00%	12.50%

- 1) *The SCSBs and other intermediaries will be entitled to a commission of ₹ 50 per every valid Application Form submitted to them and uploaded on the electronic system of the Stock Exchange by them*
- 2) *The SCSBs would be entitled to processing fees of ₹ 25 per Application Form, for processing the Application Forms procured by other intermediaries and submitted to the SCSBs.*
- 3) *Further the SCSBs and other intermediaries will be entitled to selling commission of 0.05% of the Amount Allotted (product of the number of Equity Shares Allotted and the Issue Price) for the forms directly procured by them and uploaded on the electronic system of the Stock Exchange by them.*
- 4) *The payment towards commission and processing fees will be completed within 30 days from the date of receipt of final invoice from the respective entities.*

Fees, Brokerage and Selling Commission Payable to the Lead Manager

The total fees payable to the Lead Manager (including underwriting commission and selling commission) is as stated in the MOUs dated June 01, 2017, the Underwriting Agreement dated June 01, 2017 and the Market Making Agreement dated June 01, 2017 among our Company and the Lead Manager and other parties, a copy of which will be made available for inspection at our Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue, for processing of application, data entry, printing of refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the MoU between the Company, and the Registrar to the Issue dated June 02, 2017

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post.

Previous Public and Rights Issues

We have not made any rights and public issues in the past, and we are an “Unlisted Company” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

Previous Issues of Equity Shares otherwise than for Cash

Except as stated in the chapter titled “*Capital Structure*” beginning on page no. 47 of this Prospectus, we have not issued any Equity Shares for consideration other than for cash.

Commission and Brokerage Paid on Previous Issues of our Equity Shares

Since this is an Initial Public Offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

Capital Issues in the last three (3) years by Listed Group Companies / Subsidiaries / Associates

None of our Group Companies / Associates / Subsidiary is listed on any Stock Exchange and hence there is no Capital Issue.

Promise v. Performance (Issuer and Listed Group Companies / Subsidiaries / Associates)

Our Company has not made any rights and public issues in the past 10 years. None of our Group Companies / Associates / Subsidiary is listed on any Stock Exchange and not made any rights and public issues in the past 10 years.

Outstanding Debentures, Bonds, Redeemable Preference Shares and Other Instruments issued by the Company

The Company has no outstanding debentures or bonds and redeemable preference shares and other instruments as on the date of Prospectus.

Stock Market Data for our Equity Shares

This being an Initial Public Offer of the Company, the Equity Shares of the Company are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The Company has appointed Bigshare Services Private Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Issue will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-ordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Board by a resolution on May 31, 2017 constituted a Stakeholders Relationship Committee. The composition of the Stakeholders Relationship Committee is as follows:

Name of the Member	Nature of Directorship	Designation in Committee
Mr. Pavan Chhatrishia	Non Executive Independent Director	Chairperson
Mr. Sandeep Avhad	Non Executive Independent Director	Member
Mr. Nayan Palwe	Whole Time Director	Member

For further details, please see the chapter titled "*Our Management*" beginning on page no. 100 of this Prospectus.

The Company has also appointed Mr. Rohit Kasat as the Company Secretary and Compliance Officer for this Issue and he may be contacted at the Corporate Office of our Company. The contact details are as follows:

Name: Mr. Rohit Kasat

Address: 302 Divine Tej, Thatte Nagar, College Road, Nashik- 422 005

Tele Fax No.: +91 – 253 – 231 5305

Email: info@sevenhillsbeverages.in

Investors can contact the Compliance Officer or the Registrar to the Issue or the Lead Manager in case of any pre- Issue or post- Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary accounts and refund/ unblocking of amounts.

Status of Investor Complaints

We confirm that we have not received any investor complaint during the three years preceding the date of this Prospectus and hence there are no pending investor complaints as on the date of this Prospectus.

Disposal of Investor Grievances by Listed Companies under the same Management as the Company

None of the Group Company or Associates or Subsidiary of our Company has made any public issue (including any rights issues to the public) during the last three years and hence there are no pending investor grievances.

Change in Auditors

The details of change in the auditors of our company are given below:

Sr. No.	Date	From	To
1.	March 14, 2017	M/s. R. Jajoo and Associates, Chartered Accountants.	M/s. Ketan K. Kabra and Associates, Chartered Accountants.

Capitalisation of Reserves or Profits

Except as stated in the chapter titled “*Capital Structure*” beginning on page no. 47 of this Prospectus, our Company has not capitalised our reserves or profits during the last five years.

Revaluation of Assets

We have re-valued our fixed assets in the financial year 2012- 13 to reflect the fair market value whose details are as under:

(₹ in lakhs)

Sr. No.	Fixed Assets	Balance Sheet Value ⁽¹⁾	Revaluation Amount	Total Fair Market Value
1.	Land ⁽²⁾	2.66	77.34	80.00
2.	Plant and Machinery	251.52	112.60	364.12
3.	Building	118.78	13.57	132.35

⁽¹⁾ Includes the addition in Fixed Assets, if any, during the year.

⁽²⁾ Revaluation Reserve on Land was reduced to NIL in the Financial Year 2016. For further details, please refer the chapter “*Restated Financial Statements*” on page no. 120 of this Prospectus.

Note: No shares have been issued from the revaluation reserve.

SECTION IX – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2009, our Memorandum and Articles of Association, the terms of this Prospectus, the Prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of this 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 or such other conditions as may be prescribed by SEBI, RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Issue.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 All the 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 Depository Participants have been also authorised 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

This Issue of Equity Shares has been authorized by the Board of Directors of our Company at their meeting held on May 27, 2017 and was approved by the Shareholders of the Company by passing a Special Resolution at the Extra Ordinary General Meeting held with a shorter notice on May 30, 2017 in accordance with the provisions of Section 62 (1) (C) of the Companies Act, 2013.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank pari-passu in all respects including dividend with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment.

For further details, please see the section titled "*Main Provisions of Articles of Association*" beginning on page no. 237 of this Prospectus.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013, the Memorandum and Articles of Association, and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. Our Company shall pay dividend, if declared, to our Shareholders as per the provisions of the Companies Act, SEBI Listing Regulations and our Articles of Association.

For further details, please refer the chapter titled "*Dividend Policy*" and "*Main Provisions of Article of Association*" beginning on page nos. 119 and 237 of this Prospectus.

Face Value and Issue Price

The Equity Shares having a face value of ₹ 10 each are being issued in terms of this Prospectus at the price of ₹ 26 per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the chapter titled "*Basis for Issue Price*" beginning on page no. 63 of this Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

Compliance with the disclosure and accounting norms

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall also comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- ✓ Right to receive dividend, if declared;
- ✓ Right to attend general meetings and exercise voting rights, unless prohibited by law;
- ✓ Right to vote on a poll either in person or by proxy;
- ✓ Right to receive offer for rights shares and be allotted bonus shares, if announced;
- ✓ Right to receive surplus on liquidation;
- ✓ Right of free transferability; and
- ✓ Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the listing agreements with the Stock Exchange and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and / or consolidation / splitting, etc., please see the section titled "*Main Provisions of Articles of Association* " beginning on page no. 237 of this Prospectus.

Minimum Application Value; Market Lot and Trading Lot

In terms of Section 29 of Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar and Share Transfer Agent to the Issue:

- 1) Tripartite agreement dated August 02, 2017 between our Company, NSDL and the Registrar and Share Transfer Agent to the Issue.
- 2) Tripartite agreement dated July 20, 2017 between our Company, CDSL and the Registrar and Share Transfer Agent to the Issue.

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

Minimum Number of Allottees

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within 6 Working days of closure of Issue.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

Nomination Facility to Investor

In accordance with Section 72 (1) & 72 (2) of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section

72 (3) of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance to Section 72 (4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- ✓ to register himself or herself as the holder of the Equity Shares; or
- ✓ to make such transfer of the Equity Shares, as the deceased holder could have made

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with. In case the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Withdrawal of the Issue

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-issue advertisements were published, within two days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Draft Prospectus

ISSUE PROGRAMME

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

Event	Indicative Date
Issue Opening Date	August 18, 2017
Issue Closing Date	August 23, 2017
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or before August 29, 2017
Initiation of Allotment / Refunds / Unblocking of Funds	On or before August 30, 2017
Credit of Equity Shares to demat accounts of Allottees	On or before August 31, 2017
Commencement of trading of the Equity Shares on the Stock Exchange	On or before September 01, 2017

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 Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Applications and any revision to the same shall be accepted **only between 10.00 a. m. and 5.00 p. m. (IST)** during the Issue Period. On the Issue Closing Date, the Applications and any revision to the same shall be accepted only between **10.00 a. m. and 3.00 p. m. (IST)** or such extended time as permitted by the Stock Exchanges, in case of Applications

by Retail Individual Applicants after taking into account the total number of applications received up to the closure of timings and reported by the Lead Manager to the Stock Exchanges. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days. Neither our Company nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

In accordance with the SEBI Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Applications (in terms of the quantity of the Equity Shares or the Applications Amount) at any stage. Retail Individual Applicants can revise or withdraw their Applications prior to the Issue Closing Date. Except Allocation to Retail Individual Investors, Allocation in the Issue will be on a proportionate basis.

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

Minimum Subscription

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

If the Issuer does not receive the subscription of 100% of the Issue through this offer document 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 eight days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under the applicable sections of the Companies Act, 2013.

Arrangements for Disposal of Odd Lots

The trading of the Equity Shares will happen in the minimum contract size of 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 SME platform of NSE.

Restrictions, if any, on transfer and transmission of shares or debentures and on their consolidation or splitting

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation / splitting, please see the section titled “*Main Provisions of Articles of Association*” beginning on page no. 237 of this Prospectus.

New Financial Instruments

The Issuer Company is not issuing any new financial instruments through this Issue.

Option to receive Equity Shares in Dematerialized Form

As per Section 29(1) of the Companies Act, 2013, allotment of Equity Shares will be made only in dematerialized form. As per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in Dematerialised form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Emerge Platform of NSE.

Migration to Main Board

In accordance with the NSE Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the SME Platform of the NSE for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the NSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter XB of the SEBI (ICDR) Regulation, 2009, our Company may migrate to the main board of NSE from the SME Exchange on a later date subject to the following:

- If the Paid up Capital of the company is likely to increase above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to NSE for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.
- If the Paid up Capital of the company is more than ₹ 10 crores but below ₹ 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Market Making

The shares issued through this Issue are proposed to be listed on the SME Platform of NSE, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing of shares offered through this Prospectus.

For further details of the agreement entered into between our Company, the Lead Manager and the Market Maker, please see the chapter titled *"General Information - Details of the Market Making Arrangement for this Issue"* beginning on page no. 44 of this Prospectus.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mumbai. The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106 (M) (1) of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue face value capital does not exceed more than ten crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE). For further details regarding the salient features and terms of such this Issue, please see the chapters titled "Terms of the Issue" and "Issue Procedure" beginning on page nos. 183 and 190 respectively, of this Prospectus.

Following is the issue structure:

Public issue of 16,00,000 Equity Shares of ₹ 10 each (the "Equity Shares") for cash at a price of ₹ 26 per Equity Share (including a Share premium of ₹ 16 per Equity Share) aggregating to ₹ 416.00 lakhs ("the Issue") by Seven Hills Beverages Limited ("SHBL" or the "Company" or the "Issuer").

The Issue comprises a reservation of 88,000 Equity Shares of ₹ 10 each for subscription by the designated Market Maker ("the Market Maker Reservation Portion") and Net Issue to Public of 15,12,000 Equity Shares of ₹ 10 each ("the Net Issue"). The Issue and the Net Issue will constitute 30.02% and 28.37% respectively of the Post Issue paid up Equity Share Capital of the Company.

Particulars of the Issue	Net Issue to Public	Market Maker Reservation Portion
Number of Equity Shares available for allocation	15,12,000 Equity Shares	88,000 Equity Shares
Percentage of Issue Size available for allocation	94.50% of the Issue Size	5.50% of the Issue Size
Basis of Allotment	Proportionate subject to minimum allotment of 4,000 Equity Shares and further allotment in multiples of 4,000 Equity Shares each.	Firm Allotment
Mode of Application	Through ASBA Process Only	Through ASBA Process Only
Minimum Application Size	<i>For QIB and NII:</i> Such number of Equity Shares in multiples of 4,000 Equity Shares such that the Application Value exceeds ₹ 2,00,000. <i>For Retail Individuals:</i> 4,000 Equity Shares	88,000 Equity Shares
Maximum Application Size	<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 15,12,000 Equity Shares. <i>For Retail Individuals:</i> Such number of Equity Shares in multiples of 4,000 Equity Shares such that the Application Value does not exceed ₹ 2,00,000.	88,000 Equity Shares
Mode of Allotment	Dematerialized Form	Dematerialized Form
Trading Lot	4,000 Equity Shares	4,000 Equity Shares, However the Market Maker may buy odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
Terms of Payment	The entire Application Amount will be payable at the time of submission of the Application Form.	
Application Lot Size	4,000 Equity Share and in multiples of 4,000 Equity Shares thereafter	

Note:

- 1) 50 % of the Equity Share offered are reserved for allocation to Applicants below or equal to ₹ 2.00 lakhs and the balance for higher amount Applications.
- 2) In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Applicant would be required in the Application Form and such First Applicant would be deemed to have signed on behalf of the joint holders.
- 3) Applicants will be required to confirm and will be deemed to have represented to our Company, the Lead Manager, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Issue.
- 4) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.

Lot Size

SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the “Circular”) standardized the lot size for Initial Public Offer proposing to list on SME exchange/platform and for the secondary market trading on such exchange/platform, as under:

Issue Price(in ₹)	Lot Size (No. Of shares)
Upto 14	10,000
More than 14 upto 18	8,000
More than 18 upto 25	6,000
More than 25 upto 35	4,000
More than 35 upto 50	3,000
More than 50 upto 70	2,000
More than 70 upto 90	1,600
More than 90 upto 120	1,200
More than 120 upto 150	1,000
More than 150 upto 180	800
More than 180 upto 250	600
More than 250 upto 350	400
More than 350 upto 500	300
More than 500 upto 600	240
More than 600 upto 750	200
More than 750 upto 1000	160
Above 1000	100

Further to the Circular, at the Initial Public Offer stage the Registrar to Issue in consultation with Lead Manager, our Company and NSE shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the IPO Lot Size at the application/allotment stage, facilitating secondary market trading.

ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI ("General Information Document"), included below under "**Part B – General Information Document**", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 and certain notified provisions of the Companies Act 2013, to the extent applicable to a public issue. The General Information Document would be made available with the Lead Manager and would also be made available on the websites of the Stock Exchanges and the Lead Manager before opening of Issue. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and shall not be liable for any amendment, modification or change in the applicable law which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that their Applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Prospectus.

Please note that all the Applicants can participate in the Issue only through the ASBA process. All Applicants shall ensure that the ASBA Account has sufficient credit balance such that the full Application Amount can be blocked by the SCSB at the time of submitting the Application. Applicants applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Applicants are required to make payment of the full Application Amount along with the Application Form. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the SCSBs.

ASBA Applicants are required to submit ASBA Applications to the Selected Branches / Offices of the RTAs, DPs, Designated Bank Branches of SCSBs. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link. The list of Stock Brokers, Depository Participants ("DP"), Registrar to an Issue and Share Transfer Agent ("RTA") that have been notified by NSE Ltd to act as intermediaries for submitting Application Forms are provided on <http://www.nseindia.com>. For details on their designated branches for submitting Application Forms, please see the above mentioned NSE website.

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process become mandatory for all investors w.e.f. January 1, 2016 and it allows the registrar, share transfer agents, depository participants and stock brokers to accept application forms.

PART A

FIXED PRICE ISSUE 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 Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Subject to the valid Applications being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the

details of the Applicant's depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

APPLICATION FORM

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the NSE (www.nseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

All Applicants shall mandatorily participate in the Issue only through the ASBA process. ASBA Applicants must provide bank account details and authorisation to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected.

ASBA Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour ⁽¹⁾
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue

⁽¹⁾excluding electronic Application Form

Designated Intermediaries shall submit Application Forms to SCSBs and shall not submit it to any non-SCSB bank.

Who Can Apply?

- Indian nationals resident in India, who are not minors (except through their Legal Guardians), in single or joint names (not more than three);
- 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;
- Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorised to invest in equity shares;
- Mutual Funds registered with SEBI;
- 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;
- Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual under the QIB portion;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Applications portion;
- VCFs registered with SEBI;

10. FVCIs registered with SEBI;
11. Eligible QFIs;
12. Foreign Nationals and other non-residents (subject to eligibility norms specified in SEBI FPI Regulations, 2014 and other applicable provisions)
13. Multilateral and bilateral development financial institutions;
14. State Industrial Development Corporations;
15. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
16. Scientific and/or industrial research organizations authorized in India to invest in equity shares;
17. Insurance companies registered with Insurance Regulatory and Development Authority;
18. Provident Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
19. Pension Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
20. Limited liability partnerships;
21. National Investment Fund set up by resolution no. F.NO.2/3/2005-DDII dated November 23, 2005 of the GoI, published in the Gazette of India;
22. Nominated Investor and Market Maker
23. Insurance funds set up and managed by the army, navy or air force of the Union of India and by the Department of Posts, India
24. Any other person eligible to Apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Applications not to be made by

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Overseas Corporate Bodies

Maximum and Minimum Application Size

a) For Retail Individual Applicants:

The Application must be for a minimum of 4,000 Equity Shares and in multiples of 4,000 Equity Shares thereafter, so as to ensure that the Application Amount payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of the Application, the Retail Individual Applicants have to ensure that the Application Amount does not exceed ₹ 2,00,000.

b) For Other Applicants (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds ₹ 2,00,000 and in multiples of 4,000 Equity Shares thereafter. Application cannot be submitted for more than the Issue Size. However, the maximum application size by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional Applicant cannot withdraw or lower the size of their Application at any stage and are required to pay the entire Application Amount upon submission of the Application.**

The identity of QIBs applying in the Net Issue shall not be made public during the Issue Period. In case of revision in Application, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Information for the Applicants

- a) Our Company shall file the Prospectus with the RoC at least three working days before the Issue Opening Date.
- b) Our Company shall, after registering the Prospectus with the RoC, make a pre-Issue advertisement, in the form prescribed under the ICDR Regulations, in English and Hindi national newspapers and one regional newspaper with wide circulation. In the pre-issue advertisement, our Company and the Lead Manager shall advertise the Issue Opening Date, the Issue Closing Date. This advertisement, subject to the provisions of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the ICDR Regulations.
- c) Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the NSE (www.nseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.
- d) Applicants who are interested in subscribing to the Equity Shares should approach any of the Application Collecting Intermediaries or their authorized agent(s).
- e) Application should be submitted in the prescribed Application Form only. Application Forms submitted to the SCSBs should bear the stamp of the respective intermediary to whom the application form is submitted. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and / or the Designated Branch.
- f) The Application Form can be submitted either in physical or electronic mode, to the Application Collecting Intermediaries. Further Application Collecting Intermediary may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account.

The Applicants should note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic system of the Stock Exchanges does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Application Form is liable to be rejected.

Availability of the Prospectus and the Application Forms:

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the NSE (www.nseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

Participation by associates and affiliates of the Lead Manager

The Lead Manager shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue in non Retail Portion, where the allocation is on a proportionate basis.

Applications by Mutual Funds

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to reject the Application without assigning any reason thereof.

Applications made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Applications by Eligible NRIs

NRIs may obtain copies of Application Form from the offices of the Lead Manager and the Designated Intermediaries. Eligible NRI Applicants applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Applicants applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full Application Amount, at the time of the submission of the Application Form.

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour).

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

Applications by FPI and FIIs

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this 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 an FPI could only continue to buy, sell or otherwise deal in securities until January 06, 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 case of Applications made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Application Form, failing which our Company reserves the right to reject any application without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Applications made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Application Form, failing which our Company reserves the right to reject any Application without assigning any reason.

In terms of the SEBI FPI Regulations, the Issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10.00% 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 sectorial 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 are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Issue are advised to use the Application Form for Non-Residents (blue in color).

Applications by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company, the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

Applications by Limited Liability Partnerships

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company 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 reserves the right to

reject any Application without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- 1) equity shares of a company: the least of 10.00% of the investee company's subscribed capital (face value) or 10.00% of the respective fund in case of life insurer or 10.00% of investment assets in case of general insurer or reinsurer;
- 2) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Applications by Provident Funds / Pension Funds

In case of Applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250.00 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application, without assigning any reason thereof.

Applications by Banking Companies

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserve the right to reject any Application without assigning any reason.

The investment limit for banking companies as per the Banking Regulation Act, 1949, as amended, is 30.00% of the paid up share capital of the investee company or 30.00% of the banks' own paid up share capital and reserves, whichever is less (except in certain specified exceptions, such as setting up or investing in a subsidiary, which requires RBI approval).

Applications by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Applications under Power of Attorney

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Applications by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form.
- b) With respect to Applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Application Form.
- c) With respect to Applications made by provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form.
- d) With respect to Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form.
- e) Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application form, subject to such terms and conditions that our Company and the Lead Manager may deem fit.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and Applicants are advised to ensure that any single Application from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.

General Instructions

Do's:

- 1) Check if you are eligible to apply as per the terms of this Prospectus and under applicable law, rules, regulations, guidelines and approvals;
- 2) Read all the instructions carefully and complete the Application Form in the prescribed form;
- 3) Ensure that the details about the PAN, DP ID and Client ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
- 4) Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary;
- 5) If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- 6) Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
- 7) Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
- 8) Ensure that you request for and receive a stamped acknowledgement of your Application;
- 9) Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the Application Form under the ASBA process to the respective member of the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);

- 10) Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
- 11) Except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Applications by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
- 12) Ensure that the Demographic Details are updated, true and correct in all respects;
- 13) Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
- 14) Ensure that the category and the investor status is indicated;
- 15) Ensure that in case of Applications under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
- 16) Ensure that Applications submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- 17) Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Applications are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
- 18) Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
- 19) Ensure that you have mentioned the correct ASBA Account number in the Application Form;
- 20) Ensure that you have correctly signed the authorisation/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
- 21) Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- 22) The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

- 1) Do not apply for lower than the minimum Application size;
- 2) Do not apply at a Price different from the Price mentioned herein or in the Application Form;
- 3) Do not pay the Application Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
- 4) Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;

- 5) Do not submit the Application Forms to any non-SCSB bank or our Company;
- 6) Do not apply on a Application Form that does not have the stamp of the relevant Designated Intermediary;
- 7) Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
- 8) Do not apply for a Application Amount exceeding ₹ 200,000 (for Applications by Retail Individual Applicants);
- 9) Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;
- 10) Do not submit the General Index Register number instead of the PAN;
- 11) Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are blocked in the relevant ASBA Account;
- 12) Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
- 13) Do not submit a Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- 14) Do not apply if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
- 15) Do not submit more than five Application Forms per ASBA Account;

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Issuance of a Confirmation of Allocation Note (“CAN”) and Allotment in the Issue

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Issue shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Applicant.

Payment instructions

The entire issue price of ₹ 26 per Equity Share is payable on Application. In case of allotment of lesser number of Equity Shares than the number applied, then the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

SCSBs will transfer the amount as per the instruction received by the Registrar to the Public Issue Bank Account. The balance amount after transfer to the Public Issue Account shall be unblocked by the SCSBs.

The Applicants shall specify the bank account details in the Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal / rejection of the application or receipt of instructions from the Registrar to unblock the Application Amount. However, Not Retails Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instruction to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public issue Account, or until withdrawal / failure of the Issue or until rejection of the application, as the case may be.

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process become mandatory for all investors w.e.f. January 01, 2016 and it allows the registrar, share transfer agents, depository participants and stock brokers to accept application forms.

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 undertake 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 but 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 amounts in the ASBA Accounts. In case of 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 the Company, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by any Application Collecting Intermediaries, (ii) the applications uploaded by any Application Collecting Intermediaries or (iii) the applications accepted but not uploaded by the Application Collecting Intermediaries.
- 5) The Stock Exchange will Issue an electronic facility for registering applications for the Issue. This facility will be available at the terminals of the Application Collecting Intermediaries and their authorised agents during the Issue Period. On the Issue Closing Date, the Application Collecting Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange.
- 6) With respect to applications by Applicants, at the time of registering such applications, the Application Collecting Intermediaries shall enter the following information pertaining to the Applicants into the on-line system:
 - Name of the Applicant;
 - IPO Name;
 - Application Form Number;
 - Investor Category;
 - PAN Number
 - DP ID & Client ID
 - Numbers of Equity Shares Applied for;
 - Amount;
 - Location of the Banker to the Issue or Designated Branch, as applicable;
 - Bank Account Number and
 - Such other information as may be required.
- 7) In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above mentioned details and mentioned 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 or 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 acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
- 10) The Application Collecting Intermediaries shall have no right to reject the 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 deemed or construed to mean 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 or 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 of the contents of this Prospectus; not does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchange.
- 12) The Application Collecting Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the PAN No., DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with the Depository's records. In case no corresponding record is available with Depositories, which matches 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 Applicants.

Allocation of Equity Shares

- 1) The Issue is being made through the Fixed Price Process wherein 88,000 Equity Shares shall be reserved for the Market Maker. 7,56,000 Equity Shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from the 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 our Company in consultation with the Lead Manager and the Stock Exchange.
- 3) Allocation to Non-Residents, including Eligible NRIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- 4) In terms of SEBI Regulations, Non Retails Applicants shall not be allowed to either withdraw or lower the size of their application at any stage.
- 5) Allotment status details shall be available on the website of the Registrar to the Issue.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, our Company shall, after registering the Prospectus with the RoC, publish a pre-issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one regional language daily newspaper, each with wide circulation. In the pre- issue advertisement, we shall state the Issue Opening Date and the Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

Signing of the Underwriting Agreement and the RoC Filing

- a) Our Company, the Lead Manager and the Market Maker have entered into an Underwriting Agreement on June 01, 2017
- b) For terms of the Underwriting Agreement please see chapter titled "*General Information*" beginning on page no 39 of this Prospectus.
- c) We will file a copy of the Prospectus with the RoC in terms of Section 26 of the Companies Act.

Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application Form, name and address of the SCSB / Designated Intermediary, where the Application was submitted and bank account number in which the amount equivalent to the Application Amount was blocked.

Applicants can contact the Compliance Officer or the Registrar in case of any pre-issue or post-issue related problems such as non-receipt of letters of Allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Applications submitted to the Designated Branches of the SCSBs, the Applicants can contact the Designated Branches of the SCSBs.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

“Any person who:

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or**
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or**
- c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447”**

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Undertaking by our Company

We undertake the following:

- 1) If our Company does not proceed with the Issue after the Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 2) If our Company withdraw the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue;
- 3) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- 4) All steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Issue Closing Date;
- 5) The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
- 6) Allotment will be made or the application money will be refunded within Six Working Days from the Issue Closing Date or such lesser time as specified by SEBI, If there is any delay beyond the prescribed time, Our Company, shall pay interest prescribed under Companies Act, 2013, the SEBI Regulations and the applicable law for the delayed period.

- 7) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within Six Working Days from the Issue Closing Date, giving details of the bank where refund shall be credited along with amount and expected date of electric credit refund.;
- 8) No further Issue of Equity Shares shall be made till the Equity Shares offered through this Issue Document are listed or until the Application monies are refunded on account of non-listing, under-subscription etc;
- 9) Adequate arrangements shall be made to collect all Application Forms and.
- 10) The certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time.

Utilization of Issue Proceeds

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act, 2013;
- 2) Details of all monies utilized out of the Issue shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilized under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.

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.

PART B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. 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 Prospectus before investing in the Issue.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential 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 Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the 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 Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the Prospectus, the disclosures in the 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.

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 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/ Regulation 27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Applicants may refer to the Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Applicants may refer to the Prospectus.

2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process (“Book Built Issue”) or undertake a Fixed Price Issue (“Fixed Price Issue”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre- Issue advertisement was given at least five Working Days before the Bid/ Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/ Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Applicants should refer to the Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

The Issue may be kept open for a minimum of three Working Days (for all category of Applicants) and not more than ten Working Days. Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or Prospectus for details of the Bid/ Issue Period. Details of Bid/ Issue Period are also available on the website of the Stock Exchange(s).

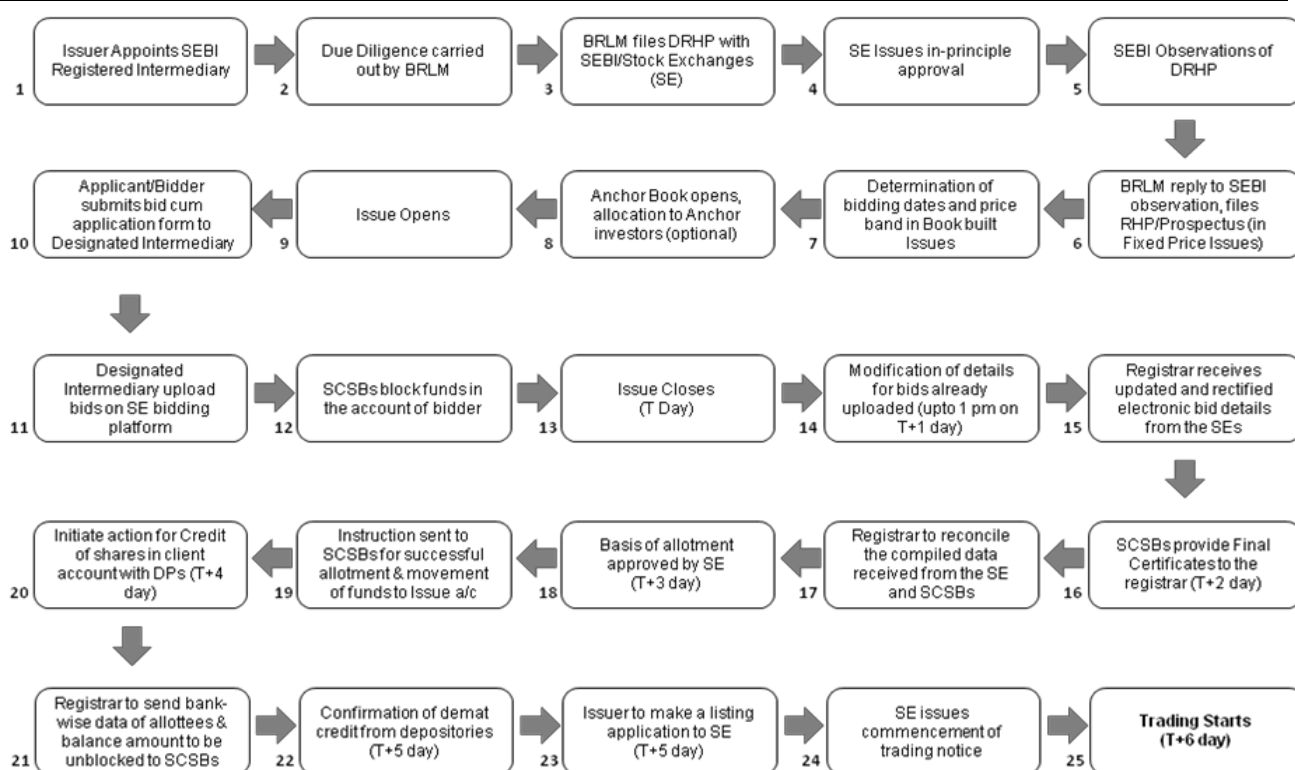
In case of a Book Built Issue, the Issuer may close the Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date if disclosures to that effect are made in the Prospectus. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/ Issue Period may be extended by at least three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Applicants may note that this is not applicable for Fast Track FPOs:

In case of Issue other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

- i. Step 7 : Determination of Issue Date and Price
- ii. Step 10: Applicant submits Bid cum Application Form with Designated Branch of SCSB.



SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each 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 Bid/Apply in the Issue 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);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals Bidding only under the Non Institutional Investors (“**NIIs**”) category;

- FPIs other than Category III foreign portfolio investors, Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.
- As per the existing regulations, OCBs are not allowed to participate in an Issue.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) either bearing the stamp of a member of the Syndicate or any other Designated Intermediary, as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the Book Running Lead Managers, the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/ Issue Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the Prospectus.

Fixed Price Issue: Applicants should only use the specified cum Application Form bearing the stamp of an SCSB as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the Registered and Corporate Office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Applicants should ensure that they apply in the appropriate category. The prescribed color of the Bid cum Application Form for various categories of Applicants is as follows:

Category	Colour ⁽¹⁾
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue

⁽¹⁾ *excluding electronic Application Form*

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 BID CUM APPLICATION FORM/APPLICATION FORM

Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the Prospectus and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Bid cum Application Form and sample are provided below.

A sample Bid cum Application Form is reproduced below:

COMMON BID CUM APPLICATION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

Address : Contact Details: CIN No

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRI, APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN :

Bid cum Application Form No. _____

<p>SYNDICATE MEMBER'S STAMP & CODE</p>	<p>BROKER/SCSB/DP/RTA STAMP & CODE</p>	<p>1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER</p> <p>Mr. / Ms. _____</p> <p>Address _____</p> <p>Email _____</p> <p>Tel. No (with STD code) / Mobile _____</p>
<p>SUB-BROKER'S / SUB-AGENT'S STAMP & CODE</p>	<p>ESCROW BANK/SCSB BRANCH STAMP & CODE</p>	<p>2. PAN OF SOLE / FIRST BIDDER</p> <p>_____</p>
<p>BANK BRANCH SERIAL NO.</p>	<p>SCSB SERIAL NO.</p>	

<p>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL</p> <p>For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID</p>		<p>6. INVESTOR STATUS</p> <p><input type="checkbox"/> Individual(s) - IND</p> <p><input type="checkbox"/> Hindu Undivided Family* - HUF</p> <p><input type="checkbox"/> Bodies Corporate - CO</p> <p><input type="checkbox"/> Banks & Financial Institutions - FI</p> <p><input type="checkbox"/> Mutual Funds - MF</p> <p><input type="checkbox"/> Non-Resident Indians - NRI (Non-Repatriation basis)</p> <p><input type="checkbox"/> National Investment Fund - NIF</p> <p><input type="checkbox"/> Insurance Funds - IF</p> <p><input type="checkbox"/> Insurance Companies - IC</p> <p><input type="checkbox"/> Venture Capital Funds - VCF</p> <p><input type="checkbox"/> Alternative Investment Funds - AIF</p> <p><input type="checkbox"/> Others (Please specify) - OTH _____</p> <p><small>* HUF should apply only through Karna (Application by HUF would be treated on par with Individual)</small></p>																																		
<p>4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Bid Options</th> <th rowspan="2">No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)</th> <th colspan="4">Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)</th> </tr> <tr> <th>Bid Price</th> <th>Retail Discount</th> <th>Net Price</th> <th>"Cut-off" (Please tick)</th> </tr> <tr> <th></th> <th>8 7 6 5 4 3 2 1</th> <th>3 2 1</th> <th>3 2 1</th> <th>3 2 1</th> <th></th> </tr> </thead> <tbody> <tr> <td>Option 1</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 2</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 3</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> </tbody> </table>		Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)				Bid Price	Retail Discount	Net Price	"Cut-off" (Please tick)		8 7 6 5 4 3 2 1	3 2 1	3 2 1	3 2 1		Option 1					<input type="checkbox"/>	(OR) Option 2					<input type="checkbox"/>	(OR) Option 3					<input type="checkbox"/>	<p>5. CATEGORY</p> <p><input type="checkbox"/> Retail Individual Bidder</p> <p><input type="checkbox"/> Non-Institutional Bidder</p> <p><input type="checkbox"/> QIB</p>
Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)			Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)																																
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Option 1					<input type="checkbox"/>																															
(OR) Option 2					<input type="checkbox"/>																															
(OR) Option 3					<input type="checkbox"/>																															

<p>7. PAYMENT DETAILS</p> <p>Amount paid (₹ in figures) _____ (₹ in words) _____</p> <p>ASBA Bank A/c No. _____</p> <p>Bank Name & Branch _____</p>	<p>PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/></p>
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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 ABBREVED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

<p>8A. SIGNATURE OF SOLE/ FIRST BIDDER</p> <p>_____</p> <p>Date : _____</p>	<p>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</p> <p>I/We authorize the SCSB to do all acts as are necessary to make the Application in the line</p> <p>1) _____</p> <p>2) _____</p> <p>3) _____</p>	<p>BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</p> <p>_____</p>
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LOGO

XYZ LIMITED

INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No. _____

<p>DPID / CLID _____</p>	<p>PAN of Sole / First Bidder _____</p>	<p>Amount paid (₹ in figures) _____ Bank & Branch _____</p> <p>ASBA Bank A/c No. _____</p> <p>Received from Mr./Ms. _____</p> <p>Telephone / Mobile _____ Email _____</p>
		<p>Stamp & Signature of SCSB Branch</p> <p>_____</p>

<p>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> </tr> </thead> <tbody> <tr> <td>No. of Equity Shares</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bid Price</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Amount Paid (₹)</td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>ASBA Bank A/c No. _____</p> <p>Bank & Branch _____</p>		Option 1	Option 2	Option 3	No. of Equity Shares				Bid Price				Amount Paid (₹)				<p>Stamp & Signature of Broker / SCSB / DP / RTA</p> <p>_____</p> <p>Name of Sole / First Bidder</p> <p>_____</p> <p>Acknowledgement Slip for Bidder</p> <p>Bid cum Application Form No. _____</p>
	Option 1	Option 2	Option 3															
No. of Equity Shares																		
Bid Price																		
Amount Paid (₹)																		

4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE / FIRST BIDDER / 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 Bid cum Application Form/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 the Bid cum Application Form may be used by the Issuer, the Designated Intermediaries and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- c) **Joint Bids/Applications:** In the case of Joint 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 Bid cum Application Form/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 Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.
- b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Applicants residing in Sikkim (“PAN Exempted Applicants”). Consequently, all Applicants, other than the PAN Exempted Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. Bids/Applications by the 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) Bid cum 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 Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form/Application Form is liable to be rejected.**
- b) Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.
- c) Applicants should note that on the basis of the DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, 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 Issue.
- 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.

4.1.4 FIELD NUMBER 4: BID OPTIONS

- a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/ Issue Opening Date in case of an IPO, and at least one Working Day before Bid/ Issue Opening Date in case of an FPO.
- b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs/FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details Bidders may refer to (Section 5.6 (e))
- c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- d) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.
- e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may refer to the Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 MAXIMUM AND MINIMUM BID SIZE

- a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹ 2,00,000.
- b) In case the Bid Amount exceeds ₹ 2,00,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category (with it not being eligible for Discount), then such Bid may be rejected if it is at the Cut-off Price.
- c) For NRIs, a Bid Amount of up to ₹ 2,00,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 2,00,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- d) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹ 2,00,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at Cut off Price.
- e) RII may revise or withdraw their bids until Bid/ Issue Closing Date. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after Bidding and are required to pay the Bid Amount upon submission of the Bid.
- f) In case the Bid Amount reduces to ₹ 2,00,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- g) For Anchor Investors, if applicable, the Bid Amount shall be least ₹ 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.
- h) A Bid cannot be submitted for more than the Issue size.
- i) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- j) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders may refer to (Section 5.6 (e))

4.1.4.2 MULTIPLE BIDS

- a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of three Bids at different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

- b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:
 - 1) All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
 - 2) For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- c) The following Bids may not be treated as multiple Bids:
 - 1) Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the issue portion in public category.
 - 2) Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
 - 3) Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
 - 4) Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.5 FIELD NUMBER 5: CATEGORY OF BIDDERS

- a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Issue are RIIs, NIIs and QIBs.
- b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, Bidders may refer to the Prospectus.
- c) An Issuer can make reservation for certain categories of Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Applicants may refer to the Prospectus.
- d) The SEBI ICDR Regulations, 2009, specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation 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, FPIs and FVCIs may not be allowed to Bid/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 Bid cum Application Form and Non-Resident Bid cum Application Form.
- d) Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 FIELD NUMBER 7: PAYMENT DETAILS

- a) The full Bid Amount (net of any Discount, as applicable) shall be blocked based on the authorisation provided in the Bid cum Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked for Bid Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- b) Bidders who Bid at Cut-off Price shall deposit the Bid Amount based on the Cap Price.
- c) All Bidders (except Anchor Investors) can participate in the Issue only through the ASBA mechanism.
- d) Bid Amount cannot be paid in cash, through money order or through postal order.

4.1.7.1 Instructions for Anchor Investors:

- a) Anchor Investors may submit their Bids with a Book Running Lead Manager.
- b) Payments should be made either by RTGS, NEFT or cheque/ demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Anchor Investor Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
- c) If the cheque or demand draft accompanying the Bid cum Application Form is not made favoring the Escrow Account, the Bid is liable to be rejected.
- d) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.
- e) Anchor Investors are advised to provide the number of the Anchor Investor Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

4.1.7.2 Payment instructions for Bidders (other than Anchor Investors)

- a) Bidders may submit the Bid cum Application Form either
 - 1) in physical mode to the Designated Branch of an SCSB where the Applicants have ASBA Account, or
 - 2) in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
 - 3) in physical mode to any Designated Intermediary.
- b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;
- d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- f) Bidders bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified Locations. Bidders should also note that Bid cum Application Forms submitted to the Syndicate at the Specified Locations may not be accepted by the member of the Syndicate

if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).

- g) Bidders bidding through a Registered Broker, RTA or CDP should note that Bid cum Application Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the Registered Brokers, RTA or CDP, as the case may be, to deposit Bid cum Application Forms.
- h) Bidders bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
- j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.
- l) Upon submission of a completed Bid cum Application Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.
- m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.
- n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.2.1 Unblocking of ASBA Account

- a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/ Issue Closing Date.

4.1.7.3 Discount (if applicable)

- a) The Discount is stated in absolute rupee terms.
- b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the Prospectus.

- c) The Bidders entitled to the applicable Discount in the Issue may block an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS

- a) Only the First Applicant is required to sign the Bid cum Application Form/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) The signature has to be correctly affixed in the authorisation/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.
- d) Applicants must note that Bid cum Application Form/Application Form without signature of Applicant and/or ASBA Account holder is liable to be rejected..

4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

- a) Bidders should ensure that they receive the Acknowledgement Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the Bid cum Application Form.
- b) All communications in connection with Bids/Applications made in the Issue should be addressed as under:
 - 1) In case of queries related to Allotment, non-receipt of Allotment Advice, credit of Allotted Equity shares, refund orders, the Applicants should contact the Registrar to the Issue.
 - 2) In case of Bids submitted to the Designated Branches of the SCSBs, the Applicants should contact the relevant Designated Branch of the SCSB.
 - 3) In case of queries relating to uploading of Bids by a Syndicate Member, the Applicants should contact the relevant Syndicate Member.
 - 4) In case of queries relating to uploading of Bids by a Registered Broker, the Applicants should contact the relevant Registered Broker
 - 5) In case of Bids submitted to the RTA, the Applicants should contact the relevant RTA.
 - 6) In case of Bids submitted to the DP, the Applicants should contact the relevant DP.
 - 7) Applicant may contact our Company Secretary and Compliance Officer or BRLM(s) in case of any other complaints in relation to the Issue.
- c) The following details (as applicable) should be quoted while making any queries –
 - 1) full name of the sole or First Applicant, Bid cum Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application;
 - 2) name and address of the Designated Intermediary, where the Bid was submitted; or
 - 3) In case of Bids other than from Anchor Investors, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.
- d) In case of Anchor Investor bids cheque or draft number and the name of the issuing bank thereof.

For further details, Applicant may refer to the Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

- a) During the Bid/ Issue Period, any Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.
- b) RII may revise their bids or withdraw their Bids till the Bid/ Issue Close Date.
- c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- d) The Applicant can make this revision any number of times during the Bid/ Issue Period. However, for any revision(s) in the Bid, the Applicants will have to use the services of the same Designated Intermediary through which such Applicant had placed the original Bid. Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:

COMMON BID REVISION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R Address : Contact Details : CIN No	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS
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.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER Mr. / Ms. Address Email Tel. No (with STD code) / Mobile
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE	2. PAN OF SOLE / FIRST BIDDER
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <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												
Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)								Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)			
	(In Figures)								(In Figures)			
	8	7	6	5	4	3	2	1	Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
Option 1												<input type="checkbox"/>
(OR) Option 2												<input type="checkbox"/>
(OR) Option 3												<input type="checkbox"/>

5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")												
Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)								Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)			
	(In Figures)								(In Figures)			
	8	7	6	5	4	3	2	1	Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
Option 1												<input type="checkbox"/>
(OR) Option 2												<input type="checkbox"/>
(OR) Option 3												<input type="checkbox"/>

6. PAYMENT DETAILS										PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>	
Additional 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 REVISION FORM AND THE ATTACHED ABBRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.											
7A. SIGNATURE OF SOLE / FIRST BIDDER				7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)				BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)			
Date : 				I/We authorize the SCSB to do all acts as are necessary to make the Application in the line: 1) _____ 2) _____ 3) _____				<div style="border: 1px solid black; width: 100px; height: 40px; margin: 0 auto;"></div>			

TEAR HERE											
<div style="display: flex; justify-content: space-between;"> <div style="width: 20%;">LOGO</div> <div style="width: 30%; text-align: center;"> XYZ LIMITED BID REVISION FORM - INITIAL PUBLIC ISSUE - R </div> <div style="width: 20%; text-align: center;"> Acknowledgement Slip for Broker/SCSB/ DP/RTA </div> <div style="width: 20%; text-align: center;"> Bid cum Application Form No. </div> </div>											
DPID / CLID PAN of Sole / First Bidder 											
Additional Amount Paid (₹) 				Bank & Branch 				Stamp & Signature of SCSB Branch			
ASBA Bank A/c No. 											
Received from Mr./Ms. 											
Telephone / Mobile 				Email 							

TEAR HERE											
XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R	Option 1 Option 2 Option 3			Stamp & Signature of Broker / SCSB / DP / RTA		Name of Sole / First Bidder 					
	No. of Equity Shares										
	Bid Price										
	Additional Amount Paid (₹) 										
	ASBA Bank A/c No. 					Acknowledgement Slip for Bidder Bid cum Application Form No. 					
Bank & Branch 											

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3. 4.2.2

FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'

- a) Apart from mentioning the revised options in the Revision Form, the Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Applicant has Bid for three options in the Bid cum Application Form and such Applicant is changing only one of the options in the Revision Form, the Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.
- b) In case of revision, Bid options should be provided by Applicants in the same order as provided in the Bid cum Application Form.
- c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000. In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.
- d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked in case of Bidders.

4.2.3 FIELD 6: PAYMENT DETAILS

- a) All Applicants are required to make payment of the full Bid Amount (less Discount, if applicable) along with the Bid Revision Form. In case of Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- b) Applicant may Offer instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹ 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the Prospectus. If, however, the Applicant does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the Applicant is deemed to have approved such revised Bid at the Cut-off Price.
- d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked.

4.2.4 FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

4.3.1 FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT

- a) The Issuer may mention Price or Price Band in the Prospectus. However a Prospectus registered with RoC contains one price or coupon rate (as applicable).
- b) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the Lead Manager to the Issue (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- c) Applications by RIIs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000.
- d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.
- e) An application cannot be submitted for more than the Issue size.
- f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:
 - 1) All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Applicant and may be rejected.
 - 2) For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- i) The following applications may not be treated as multiple Bids:
 - 1) Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Issue portion in public category.
 - 2) Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.

- 3) Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its subaccounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 FIELD NUMBER 5 : CATEGORY OF APPLICANTS

- a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.
- c) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 FIELD NUMBER 6: INVESTOR STATUS

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 FIELD 7: PAYMENT DETAILS

- a) All Applicants (other than Anchor Investors) are required to make use ASBA for applying in the Issue
- b) Application Amount cannot be paid in cash, through money order, cheque or through postal order or through stock invest.

4.3.5.1 Payment instructions for Applicants

- a) Applicants may submit the Application Form in physical mode to the Designated Intermediaries.
- b) Applicants must specify the Bank Account number in the Application Form. The Application Form submitted by an Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.
- c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- f) Applicants bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- j) Upon submission of a completed Application Form each Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.

- k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- l) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

4.3.5.2 Unblocking of ASBA Account

- a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.
- b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within six Working Days of the Issue Closing Date.

4.3.5.3 Discount (if applicable)

- a) The Discount is stated in absolute rupee terms.
- b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the Prospectus.
- c) The Applicants entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Application Amount less Discount (if applicable).

4.3.6 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4 SUBMISSION OF BID CUM APPLICATION FORM/REVISION FORM/APPLICATION FORM

4.4.1 Bidders/Applicants may submit completed Bid cum application form/Revision Form in the following manner:-

Mode of Application	Submission of Bid cum Application Form
Anchor Investors Application Form	<ul style="list-style-type: none"> To the Book Running Lead Managers at the Specified Locations mentioned in the Bid cum Application Form
All Applications (other than Anchor Investors)	<ul style="list-style-type: none"> To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the RTA at the Designated RTA Location or the DP at the Designated DP Location To the Designated Branches of the SCSBs where the ASBA Account is maintained

- a) Applicants should submit the Revision Form to the same Designated Intermediary through which such Applicant had placed the original Bid.

- b) Upon submission of the Bid cum Application Form, the Applicant will be deemed to have authorized the Issuer to make the necessary changes in the Prospectus and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Applicant.
- c) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalised after the Bid/ Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

- a) During the Bid/ Issue Period, Applicants may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.
- b) In case of Applicants (excluding NIIs and QIBs) Bidding at Cut-off Price, the Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Applicants are requested to refer to the Prospectus.

5.2 ELECTRONIC REGISTRATION OF BIDS

- a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- b) On the Bid/ Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges.
- c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the day following the Bid/ Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/ Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

5.3 BUILD UP OF THE BOOK

- a) Bids received from various Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/ Issue Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/ Issue Period.

5.4 WITHDRAWAL OF BIDS

- a) RIIs can withdraw their Bids until Bid/ Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

- a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:
 - 1) the Bids accepted by the Designated Intermediaries,
 - 2) the Bids uploaded by the Designated Intermediaries, and
 - 3) the Bid cum application forms accepted but not uploaded by the Designated Intermediaries.
- b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various places in this GID:-

- a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- b) Bids/Applications by OCBs; and
- c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents not being submitted along with the Bid cum application form/Application Form;
- e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- f) Bids/Applications by persons in the United States excluding persons who are a U.S. QIB (as defined in the Prospectus);
- g) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- h) PAN not mentioned in the Bid cum Application Form/Application Form, except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- i) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- j) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;

- k) Bids/Applications at a price less than the Floor Price and Bids/Applications at a price more than the Cap Price;
- l) Bids/Applications at Cut-off Price by NIIs and QIBs;
- m) The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- n) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- o) Submission of more than five Bid cum Application Forms/Application Form as through a single ASBA Account;
- p) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the Prospectus;
- q) Multiple Bids/Applications as defined in this GID and the Prospectus;
- r) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/ Issue Opening Date advertisement and as per the instructions in the Prospectus and the Bid cum Application Forms;
- s) Inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid/Application Amount in the bank account;
- t) In case of Anchor Investors, Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- u) Where no confirmation is received from SCSB for blocking of funds;
- v) Bids/Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;
- w) Bids/Applications submitted to a BRLM at locations other than the Specified Cities and Bid cum Application Forms/Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;
- x) Bids/Applications not uploaded on the terminals of the Stock Exchanges; and
- y) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form..

5.6 BASIS OF ALLOCATION

- a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Applicants in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the Prospectus. For details in relation to allocation, the Applicant may refer to the Prospectus.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Applicants may refer to the Prospectus.
- d) Illustration of the Book Building and Price Discovery Process Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹ 20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table

below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

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

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer in consultation with the BRLMs, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

e) Alternate Method of Book Building

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of bidding (“**Alternate Book Building Process**”).

The Issuer may specify the Floor Price in the Prospectus or advertise the Floor Price at least one Working Day prior to the Bid/ Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue. As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the Application Form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

Applicants may submit an Application Form either in physical form to the any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date.

In a fixed price Issue, allocation in the net issue to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Applicants may refer to the relevant section of the GID.

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 Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is

required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot ("**Maximum RII Allottees**"). The Allotment to the RIIs will then be made in the following manner:

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

7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Issue Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIIs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full Allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Applicants may refer to the SEBI ICDR Regulations, 2009 or Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

- a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;
- b) In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

- a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the issuer in consultation with the Investor and the BRLMs, subject to compliance with the following requirements:
 - 1) not more than 60% of the QIB Category will be allocated to Anchor Investors;

- 2) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
- 3) allocation to Anchor Investors shall be on a discretionary basis and subject to:
 - a maximum number of two Anchor Investors for allocation up to ₹ 10 crores;
 - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 10 crores and up to ₹ 250 crores subject to minimum Allotment of ₹ 5 crores per such Anchor Investor; and
 - a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 250 crores, and an additional 10 Anchor Investors for every additional ₹ 250 crores or part thereof, subject to minimum Allotment of ₹ 5 crores per such Anchor Investor.
- b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- c) **In the event that the Issue Price is higher than the Anchor Investor Issue Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
- d) **In the event the Issue Price is lower than the Anchor Investor Issue Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- a) Bidders may be categorized according to the number of Equity Shares applied for;
- b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;
- d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all Bidders in such categories may be arrived at after such rounding off; and

- f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- a) Designated Date: On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the Prospectus. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.
- b) Issuance of Allotment Advice: Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue. Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.
- c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Applicants Depository Account will be completed within six Working Days of the Bid/ Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within two Working Days from the date of Allotment.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/ Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with CDPs, and dispatch the Allotment Advice within six Working Days of the Bid/ Issue Closing Date

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in 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 ₹ 5 lakhs but which may extend to ₹ 50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹ 50,000 but which may extend to ₹ 3 lakhs, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from Applicants.

If such money is not refunded to the Bidders within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Issue (excluding any Issue for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/ Issue Closing Date and repay, without interest, all moneys received from Anchor Investors. In case the Issue is in the nature of Issue for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Issue, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay or unblock the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 Days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be Allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to Allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

- a) **In case of Bids/Applications (other than Anchor Investors):** Within six Working Days of the Bid/ Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid/Application and also for any excess amount blocked on Bidding/Application.
- b) **In case of Anchor Investors:** Within six Working Days of the Bid/ Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.
- c) In case of Anchor Investors, the Registrar to the Issue may obtain from the depositories, the Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

- a) **NEFT** - Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- b) **Direct Credit** - Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;

- c) **RTGS** - Anchor Investors having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers, etc. Anchor Investors may refer to Prospectus.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 6 working days of the Bid/ Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/ Issue Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Issue to successful 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 Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Invest or Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009 and the Prospectus.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount/ASBA	An application, whether physical or electronic, used by Applicants, other than Anchor Investors, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the Applicant
Banker(s) to the Issue / Escrow Collection Bank(s) / Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account(s) for Anchor Investors may be opened ,and as disclosed in the Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Applicants under the Issue
Bid	An indication to make an Issue during the Bid/ Issue Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band,

Term	Description
	including all revisions and modifications there to. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Applicant up on submission of the Bid(except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid/ Issue Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language news paper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Bid/ Issue Closing Date
Bid/ Issue Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national 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 Bid/ Issue Opening Date
Bid/ Issue Period	Except in the case of Anchor Investors(if applicable),the period between the Bid/ Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Issue Period for QIBs one working day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants may refer to the Prospectus for the Issue Period
Bid cum Application Form	An application form, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Applicant	Any prospective investor who makes a Bid pursuant to the terms of the Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Applicant should be construed to mean an Applicant
Book Built Process / Book Building Process / Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Applicants can submit the Bid cum Application Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM(s) / Book Running Lead Manager(s) / Lead Manager / LM	The Book Running Lead Manager to the Issue as disclosed in the Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Saturday (except 2nd & 4th Saturday of a month and public holidays)
CAN / Confirmation of Allotment Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Issue Price, finalised by the Issuer in consultation with the Book Running Lead

Term	Description
	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 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 Applicants including the Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Applicants (exc Anchor Investor) and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the Bid cum Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Applicants in the Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Intermediaries / Collecting Agent	Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Bid cum Application Forms from the Bidders, in relation to the Issue
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the Bid cum Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	The designated stock exchange as disclosed in the Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Applicant may refer to the Prospectus
Equity Shares	Equity Shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors may issue cheques or demand drafts or transfer money through NEFT or RTGS in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Issue, the Book Running Lead Manager(s), the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Issue
FCNR Account	Foreign Currency Non-Resident Account
First Applicant	The Applicant whose name appears first in the Bid cum Application Form or

Term	Description
	Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue / Fixed Price Process / Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the Prospectus and Bid cum Application Form
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion
Non-Institutional Investors or NIIs	All Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the Prospectus through an offer for sale by the Selling Shareholders
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for

Term	Description
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price. The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s).
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/ Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation.
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Issue Price.
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information.
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date.
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis.
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009.
RTGS	Real Time Gross Settlement
Refund Account(s)	The account opened with Refund Bank(s), from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made.
Refund Bank(s)	Refund bank(s) as disclosed in the Prospectus and Bid cum Application Form of the Issuer.
Refunds through electronic transfer of funds	Refunds through Direct Credit, NEFT, RTGS or ASBA, as applicable.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate.
Registrar to the Issue /RTO	The Registrar to the Issue as disclosed in the Prospectus and Bid cum Application Form.
Reserved Category / Categories	Categories of persons eligible for making application/Bidding under reservation portion.
Reservation Portion	The portion of the Issue reserved for such category of eligible Applicants as provided under the SEBI ICDR Regulations, 2009.
Retail Individual Investors/RIIs	Investors who apply or bids for a value of not more than L 200,000 (including HUFs applying through their karta and eligible NRIs and does not include NRIs other than Eligible NRIs).
Retail Individual Shareholders	Shareholders of a listed Issuer who apply or bids for a value of not more than L 200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum Bid Lot, subject to availability in RII category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders, including ASBA Bidders, in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s).
RoC	The Registrar of Companies.
SEBI	The Securities and Exchange Board of India constituted under the Securities and

Term	Description
	Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms, a list of which is available on the website of SEBI at http://www.sebi.gov.in/ and updated from time to time
Stock Exchanges / SE	The stock exchanges as disclosed in the Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of Bid cum Application Forms by Syndicate Members
Syndicate Member(s) / SM	The Syndicate Member(s) as disclosed in the Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	Any day, other than 2nd and 4th Saturday of the month, Sundays or public holidays, on which commercial banks in Mumbai are open for business, provided however, with reference to (a) announcement of Price Band; and (b) Bid/ Issue Period, "Working Days" shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are FIPB and the RBI.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), issued consolidated FDI Policy, which with effect from June 07, 2016 consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on June 07, 2016. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the Consolidation FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares by an Indian resident to 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 Consolidated 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 Consolidated 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 Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States to persons reasonably believed to be “qualified institutional investors” (as defined in Rule 144A under the Securities Act) pursuant to Rule 144A under the Securities Act or other applicable exemption under the Securities Act and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdictions where such offers and sales occur.

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 this Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.

SECTION X – MAIN PROVISIONS OF ARTICLE OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Table F in Schedule I of the Companies Act, 2013 and the SEBI Regulations, the main provisions of the Articles of Association of our Company are detailed below:

These Articles of Association were adopted in substitution for and to the entire exclusion of the earlier Articles of Association at the Extra-ordinary General Meeting of the Company held on April 10, 2017

1. The regulations contained in Table F of the first schedule to the Companies Act, 2013 (hereinafter referred as Table F) shall apply to this Company in so far as are applicable to Public Company and are not amended, modified or substituted by the following Articles.

INTERPRETATION

2. In the interpretation of these Articles, unless repugnant to the subject or context:-

a) The company or this company

“The company or this company” means Seven Hills Beverages Limited.

b) The Act

“The Act” means the Companies Act 2013, or any statutory modification or re- enactment thereof for the time being in force.

c) Auditor

“Auditor” means and includes those persons appointed as such for the time being by the Company.

d) Board Meeting

“Board Meeting” means meeting of the Directors duly and constituted or as the case may be, the Directors assembled at a Board.

e) Capital

“Capital” means the share capital for the time being raised or authorized to be raised, for the Company.

f) Debenture

“Debenture” includes the Debenture stock.

g) Directors

“Directors” mean the Directors for the time being of the Company of as the case may be the Directors assembled at as Board.

h) Dividend

“Dividend” includes bonus.

i) Gender

Word importing the masculine gender also includes the feminine gender.

j) In Writing or Written

“In Writing” or “Written” includes printing, lithography and other modes of representing or reproducing words in a visible form.

k) Member

“Member” means the duly registered holder from time to time of the shares of the Company and includes the subscriber to the Memorandum of the Company.

l) Meeting or Annual General Meeting

“Annual General Meeting” means a General Meeting of the members duly called and constituted and any adjourned holding thereof in accordance of section 96 of the Act.

m) Meeting or Extraordinary general meeting

“Extraordinary General Meeting” means Extraordinary General meeting of the Members duly called and constituted and any adjourned holding thereof.

n) Month

“Month” means a calendar month

o) Office

“Office” means the registered office for the time being of the Company.

p) Paid up

Paid up” includes credited as paid up.

q) Persons

“Persons” includes corporation and firms as well as individuals.

r) Register of members

“Register of member” means the Register of members to be kept pursuant to the Act.

s) The Registrar

“The Registrar” means the Registrar of the Companies of the state in which the office of the Company is for the time being situated.

t) Officer

“Officer” includes any director, manager or secretary, or any person in accordance with whose direction or instruction the board of Director or any or more of the directors is accustomed to act

u) Seal

“Seal” means the common seal for the time being of the Company.

v) Share

“Share” means share in the share capital of a company and includes stock except where a distinction between stock and share is expressed or implied.

w) Special Resolution

“Special Resolution” shall have the meaning assigned thereto by section 114 of Companies Act, 2013.

x) Year and Financial Year.

“Year” means the calendar year and “financial year” shall have the meaning assigned thereto by section 2(41) of the Act.

The company is a Public Company within the meaning of section 2(71) of the Companies Act, 2013 with a minimum paid up capital of Rupees Five Lakhs or such higher amount as may be prescribed from time to time.

SHARE CAPITAL AND VARIATION OF RIGHTS

3. The Authorised Share Capital of the Company is as mentioned in Clause V of the Memorandum of Association of the Company. The minimum paid-up Capital of the Company is Rs. 5 Lacs (Rupees Five Lacs only).
4. 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.
5. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or 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 twenty rupees for each certificate after the first.
- (ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
- (iii) 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.
6. (i) 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.
- (ii) The company may issue new share certificates pursuant to consolidation or sub-division of share certificate(s) upon written request received from shareholder together with production and surrender of respective original share certificate(s). Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
- (iii) The provisions of Articles (5) and (6) shall mutatis mutandis apply to debentures of the company.
7. Except as required by law, no person shall be recognized 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 recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as 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.
8. (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.
9. (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 106 & 107 of Companies Act, 1956, 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.
10. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.
11. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

LIEN

12. (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:

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.

Provided that fully paid shares of the Company shall be free from all lien.

- (ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

13. 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.

14. (i) To give effect to any such sale, the Board may authorise 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.

15. (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.

CALLS ON SHARES

16. (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 share 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.

(iv) Company may delegate power to make calls on shares subject to approval of the shareholders in a general meeting of the company.

17. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments

18. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
19. (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.
20. (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.
21. The Board—
- (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
- (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate 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 but shall not confer a right to dividend or to participate in profits.

TRANSFER OF SHARES

22. (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.
23. The Board may, subject to the right of appeal conferred by section 58 decline to register—
- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- (b) any transfer of shares on which the company has a lien.
24. The Board may decline to recognise any instrument of transfer unless—
- (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) the instrument of transfer is in respect of only one class of shares.
25. 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.
26. Subject to the provisions of Section 59 of Companies Act, 2013, the Board may decline to register any transfer of Shares on such grounds as it think fit in the benefit of the company (notwithstanding that the proposed transferee be already a Member), but in such case it shall, within two (2) months from the date the

instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer giving reasons for such refusal. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company.

TRANSMISSION OF SHARES

27. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.

(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.

28. (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.

29. (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.

30. 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.

FORFEITURE OF SHARES

31. If a member fails to pay any call, or installment 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 installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

32. The notice aforesaid shall—

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

33. 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.
34. (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.
35. (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.
36. (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 a transfer of the share in favour of the person to whom the share is sold or disposed of.
- (iii) The transferee shall thereupon be registered as the holder of the share
- (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.
37. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment 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.

ALTERATION OF CAPITAL

38. 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. Capital will be as per the clause V (a) of Memorandum of Association of the company.
39. Subject to the provisions of section 61, the company may, by ordinary resolution,—
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (d) 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.
40. Where shares are converted into stock,—
- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same 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.

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(c) such of the regulations 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.

41. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—

- (a) its share capital;
- (b) any capital redemption reserve account; or
- (c) any share premium account.

CAPITALISATION OF PROFITS

42. (i) The company in general meeting may, upon the recommendation of the Board, resolve—

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (i) 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, 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.

43. (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 capitalised thereby, and all allotments and issues of fully paid shares if any; and

(b) generally 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 in fractions; and

(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

DEMATERIALISATION OF SECURITIES

44. (i) For the purpose of this Article:-

"Beneficial Owner": Beneficial Owner shall have the meaning assigned thereto in section 2(1)(a) of the Depositories Act, 1996.

"Depositories Act": Depositories Act shall mean the Depositories Act, 1996 and includes any statutory modification or re-enactment thereof for the time being in force.

"Depository": Depository shall mean a Depository as defined in section 2(1)(e) of the Depositories Act, 1996.

"Member": Member shall mean a duly registered holder from time to time of the security of the company and includes every person whose name is entered as beneficial owner in the records of the Depository.

"Security": Security shall mean such security as may be specified by SEBI.

(ii) **"Dematerialisation of Securities"**: Notwithstanding anything on the contrary contained in this Article, the company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form and further to rematerialise the securities held on depository pursuant to the Depositories Act, 1996 or any amendment thereof.

(iii) **"Option to hold securities in physical form or with depository"**: Every person holding securities of the company through allotment or otherwise shall have the option to receive and hold the same in the dematerialised form with a depository.

(iv) **"Beneficial Owner may opt out of a Depository"**: Every person holding securities of the company with a depository, being the beneficial owner thereof, may at any time opt out of the depository in the manner provided under the provisions of the Depositories Act and the Rules, if any, prescribed there under and on fulfilment of the conditions prescribed by the company from time to time, company shall issue the relevant security certificates to the beneficial owner thereof.

(v) **"Securities in Depositories to be in fungible form"**: All securities held by a depository shall be dematerialised and shall be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Companies Act, shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

(vi) **"Rights of depository and beneficial owners"**: A depository shall be deemed to be the registered owner for the purposes of affecting the transfer of ownership of securities on behalf of the beneficial owners and shall not have any voting rights or any other rights in respect of the securities held by it.

(vii) 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 rights and benefits and be subject to all the liabilities in respect of his/her securities, which are held by a depository.

(viii) **"Transfer of securities"**: Transfer of security held in a depository will be governed by the provisions of the Depository Act, 1996. Nothing contained in Section 108, of the Companies Act, 1956 or these Articles 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.

(ix) **"Register and Index of beneficial owners"**: The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles.

(x) **"Other matters"**: Notwithstanding anything contained in these Articles, the provision of Depositories Act, 1996 relating to dematerialisation of securities including any modification(s) or re-enactment thereof and Rules/Regulations made there under shall prevail accordingly.

(xi) Notwithstanding anything contained in the Act or the Articles, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic mode or by delivery of floppies or disks.

NOMINATION

45. Notwithstanding anything contained in Articles, every holder of shares(s) or debenture(s) of the Company may, at any time, nominate, in the prescribed manner, a person to whom these share(s) shall vest in the event of his death and the provisions of Section 109A and Section 109B of the Companies Act, 1956 shall apply in respect of such nomination.

The provisions of this Article shall apply mutatis mutandis to a depository of money with the Company as per the provisions of Section 58A of the Act.

BUY-BACK OF SHARES

46. 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 MEETINGS

47. All general meetings other than annual general meeting shall be called extraordinary general meeting.

48. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) 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

49. (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) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

50. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

51. 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.

52. 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.

ADJOURNMENT OF MEETING

- 53.** (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

- 54.** Subject to any rights or restrictions for the time being attached to any class or classes of shares,—
- (a) on a show of hands, every member present in person shall have one vote; and
- (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
- 55.** A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
- 56.** (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.
- 57.** 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.
- 58.** Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
- 59.** 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.
- 60.** (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.

PROXY

- 61.** The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
- 62.** An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

63. 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

64. First Directors shall be

(i) RAMMOHAN SUNDARRAJAN SHESHADRI

(ii) SARVANAN SUNDARAM SHESHADRI

(iii) RAVINDRA GOVINDBHAI CHOUDHARY

(iv) VINODKUMAR JAYADEVAN PARAMU

65. (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.

66. The Board may pay all expenses incurred in getting up and registering the company.

67. 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.

68. 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.

69. 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.

70. (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.

MANAGING DIRECTOR

- 71.** Subject to the control and supervision of the Board of Directors the Business of the Company shall be carried on by a Managing Director.
- 72.** The Board may from time to time and subject to the provisions of the Act delegate to the Managing Director such of their powers and duties and subject to such limitations and conditions as they may deem fit. The board may from time to time revoke, withdraw alter, or vary all or any of the powers conferred on the Managing Director.
- 73.** The Board may elect a chairman for Its meeting and determine the period for which he is to hold office.

PROCEEDINGS OF THE BOARD

- 74.** (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- (ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
- 75.** (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- (ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
- 76.** 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.
- 77.** (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
- (ii) 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.
- 78.** (i) 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.
- 79.** (ii) 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.
- 80.** (i) A committee may meet and adjourn as it thinks fit.
- (ii) 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.
- 81.** 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.
- 82.** 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

80. Subject to the provisions of the Act,—

(i) 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;

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

81. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

THE SEAL

82. (i) The Board shall provide for the safe custody of the seal.

(ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

DIVIDENDS AND RESERVE

83. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

84. 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.

85. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

86. (i) 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.

(ii) 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.

(iii) 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.

87. 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.

- 88.**(i) 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.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent
- 89.**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.
- 90.** 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.
- 91.** No dividend shall bear interest against the company.
- 92.**No unclaimed Dividend shall be forfeited, and unclaimed Dividends shall be dealt with in accordance with the applicable provisions of the Act

ACCOUNTS

- 93.**(i) 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.
- (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

WINDING UP

- 94.**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.
- 95.**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.
- a. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

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.

SECTION XI – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by the Company (not being contracts entered into in the ordinary course of business carried on by the Company or contracts entered into more than two years before the date of this Prospectus) which are or may be deemed material have been attached to the copy of the Prospectus delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from Application/Issue Opening Date until the Application/Issue Closing Date.

A. Material Contracts

1. Memorandum of Understanding dated June 01, 2017 between our Company and the Lead Manager.
2. Memorandum of Understanding dated June 02, 2017 between our Company and the Registrar to the Issue.
3. Escrow Agreement dated July 25, 2017 between our Company, the Lead Manager, Banker to the Issue and the Registrar to the Issue.
4. Market Making Agreement dated June 01, 2017 between our Company, the Lead Manager and the Market Maker.
5. Underwriting Agreement dated June 01, 2017 between our Company, the Lead Manager and the Market Maker.
6. Tripartite agreement between the NSDL, our Company and the Registrar dated August 02, 2017.
7. Tripartite agreement between the CDSL, our Company and the Registrar dated July 20, 2017.

B. Material Documents

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Copy of Certificates of Incorporation of Seven Hills Beverages Limited
3. Resolution of the Board of Directors meeting dated May 27, 2017 authorizing the Issue.
4. Shareholders' resolution passed at the Extra-Ordinary General Meeting dated May 30, 2017 authorizing the Issue.
5. Auditor's report for Restated Financials dated May 31, 2017 included in this Prospectus.
6. The Statement of Tax Benefits dated June 01, 2017 from our Statutory Auditors.
7. Consent of our Directors, CFO, Company Secretary and Compliance Officer, Statutory Auditor, Peer Review Auditor, Lender(s) to the Company, Banker to the Issue, Banker(s) to the Company, Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Market Maker and Underwriters as referred to in their specific capacities.
8. Due Diligence Certificate(s) dated August 09, 2017 of the Lead Manager to be submitted to SEBI along with the filing of the Prospectus.
9. Approval from NSE vide letter dated July 19, 2017 to use the name of NSE in this Offer Document for listing of Equity Shares on the SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE.

Any of the contracts or documents mentioned in this 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 (to the extent notified) and the guidelines issued by the Government of India or the regulations or guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the 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, each as amended or rules made there under or guidelines / regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY:

Sd/-

Mr. Sandeep Palwe

Managing Director

Sd/-

Mr. Nayan Palwe

Whole Time Director

Sd/-

Mrs. Charushila Lathi

Non Executive Non Independent Director

Sd/-

Mr. Pavan Chhatrisha

Non Executive Independent Director

Sd/-

Mr. Sandeep Avhad

Non Executive Independent Director

SIGNED BY THE CHIEF FINANCIAL OFFICER

Sd/-

Mr. Rajkumar Pardeshi

Chief Financial Officer

SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER

Sd/-

Mr. Rohit Kasat

Company Secretary & Compliance Officer

Date: August 09, 2017

Place: Nashik