

P. N. GADGIL
& SONS

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P. N. GADGIL & SONS LIMITED

Our Company was incorporated pursuant to a certificate of incorporation dated November 6, 2017 issued by the Registrar of Companies, Maharashtra at Pune ("RoC") following our conversion from the Erstwhile Partnership Firm to a public limited company. For details of our name and Registered and Corporate Office of our Company, see "History and Certain Corporate Matters" on page 133.

Registered and Corporate Office: Abhiruchi Mall, S. No. 59/1-C, Wadgaon (BK), Sinhgad Road, Pune- 411041, Maharashtra;

Tel: +9120 2461 2000; **Fax:** +91 20 2461 2185 **Contact Person:** Avanti Gulavani, Compliance Officer

E-mail: info@pngsl.com; **Website:** www.pngadgilandsons.com **Corporate Identity Number:** U36911PN2017PLC173262

OUR PROMOTERS: GOVIND GADGIL AND RENU GADGIL

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF P. N. GADGIL & SONS LIMITED ("OUR COMPANY" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING UP TO ₹ 5,000 MILLION ("ISSUE"). THE ISSUE WILL CONSTITUTE UP TO [●]% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE ISSUE INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION, FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION") AT A DISCOUNT, IF ANY, OF [●]% (EQUIVALENT TO ₹ [●] PER EQUITY SHARE) ON THE ISSUE PRICE ("EMPLOYEE DISCOUNT"). THE ISSUE LESS THE EMPLOYEE RESERVATION PORTION IS REFERRED TO AS THE "NET ISSUE". THE ISSUE SHALL CONSTITUTE [●]% OF OUR POST ISSUE ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL AND THE NET ISSUE SHALL CONSTITUTE [●]% OF OUR POST ISSUE ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL.

THE FACE VALUE OF EACH EQUITY SHARE IS ₹ 10 EACH. THE ISSUE PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND, EMPLOYEE DISCOUNT, IF ANY, AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMs") AND WILL BE ADVERTISED IN ALL EDITIONS OF THE WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER [●], ALL EDITIONS OF THE WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER [●] AND PUNE EDITION OF THE WIDELY CIRCULATED MARATHI DAILY NEWSPAPER [●] (MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA, WHERE OUR REGISTERED AND CORPORATE OFFICE IS LOCATED) AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED ("SEBI ICDR REGULATIONS") AND SUCH ADVERTISEMENT SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE"), AND TOGETHER WITH BSE, THE "STOCK EXCHANGES" FOR UPLOADING ON THEIR RESPECTIVE WEBSITES.

In case of any revision to the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the total Bid/Issue Period not exceeding a total of 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the website of the BRLMs and at the terminals of the other members of the syndicate ("Syndicate") and intimation to Self Certified Syndicate Banks ("SCSBs"), Registered Brokers, Collecting Depository Participants ("CDPs") and Registrar to an Issue and Share Transfer Agents ("RTAs") and together with the Syndicate, SCSBs, Registered Brokers and CDPs, the "Designated Intermediaries").

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR"), read with Regulation 41 of the SEBI ICDR Regulations and in accordance with Regulation 26(1) of the SEBI ICDR Regulations, this Issue is being made through the Book Building Process, wherein not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Portion"), provided that our Company in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis ("Anchor Investor Portion") in accordance with SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations subject to valid Bids being received at or above the Issue Price. Further, up to [●] Equity Shares shall be offered for allocation and Allotment to the Eligible Employees Bidding in the Employee Reservation Portion, conditional upon valid Bids being received from them at or above the Issue Price. All potential Bidders, other than Anchor Investors, are mandatorily required to participate in the Issue through the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective bank account in which their corresponding bid amounts will be blocked by the Self Certified Syndicate Banks ("SCSBs"). Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA Process. For details, see "Issue Procedure" on page 303.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 each. The Floor Price is [●] times the face value and the Cap Price is [●] times the face value of our Equity Shares. The Issue Price (determined and justified by our Company in consultation with the BRLMs as stated under "Basis for Issue Price" on page 88) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in 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 Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 17.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on BSE and NSE. Our Company has received an 'in-principle' approval from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Issue, the Designated Stock Exchange shall be [●]. A copy of the Red Herring Prospectus and the Prospectus shall be delivered for registration to the RoC, Maharashtra at Pune in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Issue Closing Date, see "Material Contracts and Documents for Inspection" on page 380.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE ISSUE
 HDFC BANK We understand your world		 YES SECURITIES
HDFC Bank Limited Investment Banking Group, Unit No. 401 & 402, 4 th Floor, Tower B, Peninsula Business Park, Lower Parel, Mumbai 400 013 Maharashtra, India Tel: +91 22 3395 8001 Fax: +91 22 3078 8584 Email: png.ipo@hdfcbank.com Investor grievance email: investor.redressal@hdfcbank.com Website: www.hdfcbank.com Contact Person: Sakshi Jain/ Rakesh Bhunatar SEBI Registration No.: INM000011252		Link Intime India Private Limited C-101, 1 st floor, 247 Park L.B.S Marg Vikhroli (West) Mumbai 400 083 Maharashtra, India Tel: +91 22 4918 6200 Fax: +91 22 4918 6195 E-mail: pngadgil.ipo@linkintime.co.in Investor grievance e-mail: pngadgil.ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Shanti Gopalkrishnan SEBI Registration No.: INR000004058

BID/ ISSUE PROGRAMME

BID/ ISSUE OPENS ON	[●]*
BID/ ISSUE CLOSING ON	[●]**

* Our Company in consultation with the BRLMs, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date i.e. [●].

** Our Company in consultation with the BRLMs, 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.

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines, or policies shall be to such legislation, act, or regulation, as amended from time to time.

The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder.

Notwithstanding the foregoing, terms used in the sections entitled “Statement of Tax Benefits”, “Industry Overview” “Restated Financial Information”, “Main Provisions of Articles of Association”, “Outstanding Litigation and Material Developments”, “Regulations and Policies” and “Issue Procedure – Part B” on pages 91, 94, 162, 130 and 314, respectively, shall have the meaning ascribed to such terms in such sections.

In case of any inconsistency between the definitions give below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

General Terms

Term	Description
“our Company”, “the Company” or “the Issuer” or “We”	P. N. Gadgil & Sons Limited, a company incorporated under the Companies Act, 2013 and having its Registered and Corporate Office at Abhiruchi Mall, S. No. 59/1-C, Wadgaon (BK), Sinhgad Road, Pune, Maharashtra - 411 041.

Company Related Terms

Term	Description
Articles of Association or AoA	Articles of Association of our Company, as amended.
Audit Committee	The audit committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, as described in “Our Management” on page 136.
Auditors/Statutory Auditors	Statutory auditors of our Company, namely, Shah & Taparia, Chartered Accountants.
Board/Board of Directors	Board of directors of our Company or a duly constituted committee thereof.
CFO	Chief Financial Officer of our Company, being Aditya Modak.
Corporate Social Responsibility Committee or CSR Committee	The corporate social responsibility committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, as disclosed in “Our Management” on page 136.
Director(s)	Director(s) on the Board of our Company.
Erstwhile Partnership/ Erstwhile Partnership Firm	Partnership under the name M/s P N Gadgil & Sons, was formed pursuant to the Partnership Deed amongst Govind Gadgil, Renu Gadgil, Abhay Gadgil, Rohan Gadgil and Akshay Gadgil. Pursuant to a retirement-cum-partnership deed, dated July 1, 2016, Rohan Gadgil and Akshay Gadgil retired, at will, from the partnership firm. Further, pursuant to a second retirement-cum-partnership deed, dated March 31, 2017, Abhay Gadgil also retired, at will, from the partnership firm. Subsequently, the Partnership Firm was reconstituted, pursuant to the Admission-cum-Partnership Deed, dated July 1, 2017, and Satish Kuber, Shrikant Kuber, Prafulla Wagh, Sunil Pathak, Niranjana Deole and Amit Modak were admitted as the partners, with the said reconstitution being effective from April 1, 2017.
ESOP	The PNG Employee Stock Option Plan 2018 of our Company formulated and approved by the Board of Directors on March 15, 2018 and by the Shareholders of our Company on March 30, 2018.

Term	Description
Equity Shares	Equity shares of our Company of face value of ₹10 each.
Equity Shareholders / Shareholders	The holders of the Equity Shares.
Executive Directors	Executive Directors of our Company.
Group Company	Company which is covered under the applicable accounting standards and other companies as considered material by our Board, for details, see “ <i>Our Group Company</i> ” on page 157.
IPO Committee	The committee of the Board of Directors as described in “ <i>Our Management</i> ” on page 136.
Key Management Personnel / KMP	Key management personnel of our Company in terms of Regulation 2(1)(s) of the SEBI ICDR Regulations, Section 2(51) of the Companies Act, 2013 and as disclosed in “ <i>Our Management</i> ” from page 136.
Memorandum of Association or MoA	Memorandum of Association of our Company, as amended.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, as disclosed in “ <i>Our Management</i> ” on page 136.
Non-Executive Director	A Director not being an Executive Director.
Partnership Deed	Partnership deed dated February 29, 2012 amongst Govind Gadgil, Renu Gadgil, Abhay Gadgil, Rohan Gadgil and Akshay Gadgil for formation of partnership firm under the name ‘M/s P. N. Gadgil & Sons’.
Promoter Group	The persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI ICDR Regulations. For details see “ <i>Our Promoter and Promoter Group</i> ” on page 154.
Promoters	The promoters of our Company namely, Govind Gadgil and Renu Gadgil. For details, see “ <i>Our Promoter and Promoter Group</i> ” on page 154.
Registered Office/Registered and Corporate Office	The registered and corporate office of our Company located at Abhiruchi Mall, S. No. 59/1-C, Wadgaon (BK), Sinhgad Road, Pune, Maharashtra - 411 041
Registrar of Companies/RoC	Registrar of Companies, Maharashtra at Pune.
Restated Financial Information	The audited financial information of our Company as at and for the financial years ended March 31, 2014, March 31, 2015, March 31, 2016, March 31, 2017 and March 31, 2018 which comprises the audited balance sheet, the audited statement of profit and loss and the audited cash flow statement and notes to the audited financial statements of assets and liabilities, profit and loss and cash flows, prepared in accordance with Ind AS and the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the ICAI, together with the schedules, notes and annexures thereto.
Shareholders	Holders of Equity Shares of our Company, from time to time.
Stakeholders’ Relationship Committee	The stakeholders’ relationship committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, described in “ <i>Our Management</i> ” on page 136.

Issue Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by a Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form.
Allot/Allotment/Allotted	Unless the context otherwise requires, allotment of Equity Shares pursuant to the Issue to the successful Bidders.

Term	Description
Allotment Advice Cum Refund Intimation	Note or advice or intimation of Allotment sent to the Bidders who have applied for the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee	A successful Bidder to whom the Equity Shares are Allotted.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the BRLMs.
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 Red Herring Prospectus and Prospectus
Anchor Investor Bid/Issue Period	The day, being one Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed.
Anchor Investor Issue Price	Final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company in consultation with the BRLMs.
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bid/Issue Period, and in the event the Anchor Investor Allocation Price is lower than the Issue Price, not later than two Working Days after the Bid Issue Closing Date.
Anchor Investor Portion	Up to 60% of the QIB Portion, which may be allocated by our Company, 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 Anchor Investor Issue Price.
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the ASBA Account.
ASBA Bid	A Bid made by an ASBA Bidder.
ASBA Bidders	All Bidders except Anchor Investors.
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the ASBA Form.
Banker(s) to the Issue/ Anchor Escrow Bank	The bank which is a clearing member and registered with the SEBI as an escrow collection bank, with whom the Anchor Escrow Account in relation to the Issue for Bids by Anchor Investors will be opened and from which a refund of the whole or part of the Bid Amount, if any, shall be made, in this case being [●].
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Issue and which is described in “ <i>Issue Procedure– Part B – General Information Document for Investing in Public Issues – Allotment Procedure and Basis of Allotment</i> ” on page 314.
Bid	An indication to make an offer during the Bid/Issue Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Issue Period by an Anchor Investor pursuant to submission of the

Term	Description
	Anchor Investor Application Form, to subscribe to or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term “Bidding” shall be construed accordingly.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the Bidder, less the Employee Discount, if any, as the case may be, upon submission of the Bid.
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires.
Bid Lot	[●] Equity Shares in the multiples of [●] Equity Shares
Bid/Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], shall be published in all editions of the widely circulated English national daily newspaper [●], all editions of the widely circulated Hindi national daily newspaper [●] and Pune edition of the widely circulated Marathi daily newspaper [●], Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located) and in case of any revisions, the extended Bid/Issue Closing Date shall also be notified on the websites and terminals of the Syndicate Members, as required under the SEBI ICDR Regulations. Our Company may in consultation with the BRLMs, may consider closing the Bid/Issue Period for the QIB Category one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.
Bid/Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●], shall be published in all editions of the widely circulated English national daily newspaper [●], all editions of the widely circulated Hindi national daily newspaper [●] and Pune edition of the widely circulated Marathi daily newspaper [●], Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located.
Bid/Issue Period	Except in relation to Anchor Investors, the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor.
Bidding Centers	Centers at which at the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Book Building Process	Book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Issue is being made.
Book Running Lead Managers or BRLMs	The book running lead managers to the Issue namely, HDFC Bank Limited and YES Securities (India) Limited.
Broker Centres	Broker centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time.

Term	Description
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/ Issue Period.
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price will not be finalised and above which no Bids will be accepted.
Client ID	Client identification number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure 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 our Company in consultation with the BRLMs, which shall be any price within the Price Band. Only Retail Individual Bidders (for bidding up to ₹ 200,000) and Eligible Employees (for bidding up to ₹ 500,000) are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation and bank account details.
Designated Date	The date on which funds are transferred from the Escrow Account and the instructions are given to the SCSBs to unblock the ASBA Accounts and transfer the amounts blocked by the SCSBs from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus and the aforesaid transfer and instructions shall be issued only after finalisation of Basis of Allotment in consultation with the Designated Stock Exchange.
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com).
Designated Intermediaries	The members of the Syndicate, Sub-Syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the ASBA Bidders, in relation to the Issue.
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	This Draft Red Herring Prospectus dated May 4, 2018, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue.
Eligible Employees	A permanent and full-time employee of our Company as of the date of registering the Red Herring Prospectus with RoC, and who continues to be an employee of our Company at the time of submission of the Bid cum

Term	Description
	<p>Application Form (excluding such employees who are not eligible to invest in the Issue under applicable laws)</p> <p>The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 500,000 (excluding Employee Discount, if any). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000 (excluding Employee Discount, if any). Only in the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 200,000 (excluding Employee Discount, if any), subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (excluding Employee Discount, if any).</p>
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the ASBA Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares.
Employee Discount	A discount, if any, of [●] % (equivalent to ₹ [●] per Equity Share) on the Issue Price to Eligible Employees.
Employee Reservation Portion	The portion of the Issue, being up to [●] Equity Shares, aggregating up to ₹ [●] million, available for allocation to Eligible Employees bidding in the Employee Reservation Portion subject to the Bid Amount not exceeding ₹ 500,000.
Escrow Account	No-lien and non-interest bearing account opened with the Escrow Collection Bank(s) and in whose favour the Bidders (excluding the ASBA Bidders) will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount when submitting a Bid.
Escrow Agreement	Agreement to be entered into amongst our Company, the Registrar to the Issue, the BRLMs, and the Escrow and Refund Bank(s) for collection of Bid Amounts and where applicable remitting refunds, if any, to Anchor Investors, on the terms and conditions thereof.
First Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted.
Issue	The public issue of up to [●] Equity Shares for cash at a price of ₹[●] each, aggregating up to ₹ 5,000 million.
Issue Agreement	The agreement dated May 3, 2018 amongst our Company and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Price	<p>The final price (net of Employee Discount, if any) within the Price Band at which Equity Shares will be Allotted to Bidders other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price in terms of the Red Herring Prospectus.</p> <p>The Issue Price will be decided by our Company in consultation with the BRLMs on the Pricing Date.</p>
General Information Document/GID	The General Information Document prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI, suitably modified pursuant to the circulars (CIR/CFD/POLICYCELL/III/2015) dated November 10, 2015 and

Term	Description
	SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and included in “ <i>Issue Procedure</i> ” on page 303.
Maximum RIB Allottees	Maximum number of RIBs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot, subject to valid Bids being received at or above the Issue Price.
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion), or [●] Equity Shares which shall be available for allocation to Mutual Funds only.
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Net Issue	The Issue less Employee Reservation Portion.
Net Proceeds	Proceeds of the Issue less our Company’s share of the Issue expenses. For further information about use of the Issue Proceeds and the Issue expenses, see “ <i>Objects of the Issue</i> ” on page 80.
Non-Institutional Bidder/NIBs	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than ₹200,000 (but not including NRIs other than Eligible NRIs).
Non-Institutional Portion	The portion of the Issue being not less than 15% of the Net Issue consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price.
Non-Resident	A person resident outside India, as defined under FEMA and includes a non-resident Indian, FPIs and FVCIs.
Price Band	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) including any revisions thereof. The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLMs, and will be advertised, at least five Working Days prior to the Bid/ Issue Opening Date, in all editions of the widely circulated English national daily newspaper [●], all editions of the widely circulated Hindi national daily newspaper [●] and Pune edition of the widely circulated Marathi daily newspaper [●], Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located.
Pricing Date	The date on which our Company in consultation with the BRLMs, will finalise the Issue Price
Prospectus	The Prospectus to be filed with the RoC after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, <i>inter alia</i> , the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto
Public Issue Account(s)	Bank account to be opened with under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account and ASBA Accounts on the Designated Date
Public Issue Bank	Bank which is a clearing member and registered with SEBI as a banker to an issue and with whom the Public Issue Account will be opened.
QIB Category/QIB Portion	The portion of the Issue (including the Anchor Investor Portion) being not more than 50% of the Net Issue consisting of [●] Equity Shares which shall be Allotted to QIBs (including Anchor Investors) subject to valid Bids being received at or above the Issue Price.
Qualified Institutional Buyers/ QIBs/QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations

Term	Description
Red Herring Prospectus or RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue including any addenda or corrigenda thereto
Refund Account(s)	The account opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made
Refund Bank(s)	Bank which is a clearing member and registered with SEBI as a banker to an issue and with whom the Refund Account will be opened, in this case being [●]
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the BRLMs and the Syndicate Members and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	Agreement dated May 4, 2018 entered into amongst our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue
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
Registrar to the Issue /Registrar	Link Intime India Private Limited
Retail Individual Bidder(s)/RIB(s)/Retail Investor/RII	Bidders who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Retail Portion	The portion of the Issue being not less than 35% of the Net Issue consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders) in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s) QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders bidding in the Retail Portion and Eligible Employees bidding in the Employee Reservation Portion can revise their Bids during the Bid/ Issue Period and withdraw their Bids until Bid/ Issue Closing Date.
Self Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time
Specified Locations	Bidding Centres where the Syndicate shall accept Bid cum Application Form from Bidders. A list of which is available on website of SEBI (www.sebi.gov.in) and updated from time to time
Syndicate Agreement	Agreement dated [●] to be entered into amongst the BRLMs, the Syndicate Members, our Company and the Registrar to the issue in relation to collection of Bid cum Application Forms by Syndicate Members
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, to be appointed pursuant to the Syndicate Agreement, in this case being [●].
Syndicate/members of Syndicate	The BRLMs and the Syndicate Members

Term	Description
Underwriters	The BRLMs and the Syndicate Members
Underwriting Agreement	The agreement among the Underwriters and our Company dated [●] to be entered into on or after the Pricing Date but prior to the registration of the Prospectus with the RoC
Wilful Defaulter	Any person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes any company whose director or promoter is categorised as such.
Working Day	All days, other than second and fourth Saturday of a month, Sunday or a public holiday, 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 Day” shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Bid/ Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 as amended from time to time.
YES Securities	YES Securities (India) Limited

Technical/Industry/Business Related Terms /Abbreviations

Term	Description
₹/Rs. /Rupees/INR	Indian Rupees
AIF	Alternative Investment Fund as defined in and registered with SEBI and under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
AS/Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
BIS	Bureau of Indian Standards
Bn/bn	Billion
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CARE	CARE Ratings Limited
Category I foreign portfolio investors	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
Category II foreign portfolio investors	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
Category III foreign portfolio investors	FPIs who are registered as “Category III foreign portfolio investors” under the SEBI FPI Regulations
CCI	Competition Commission of India
CCTV	Closed Circuit Television
CDSL	Central Depository Services (India) Limited
Companies Act	Companies Act, 1956 and the Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder

Term	Description
Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder
Competition Act	Competition Act, 2002
Consumer Protection Act	Consumer Protection Act, 1986
Copyright Act	Copyright Act, 1957
CSR	Corporate Social Responsibility
CGU	Cash Generating Unit
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
Designs Act	Designs Act, 2000
DIN	Director Identification Number
DP ID	Depository Participant's Identification
DP/Depository Participant	A depository participant as defined under the Depositories Act
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EIR	Effective Interests Rate
EGM	Extraordinary General Meeting
EPS	Earnings per Share
ERP	Enterprise Resource Planning
FDI	Foreign Direct Investment
FDI Policy	The extant Consolidated Foreign Direct Investment Policy notified by Department of Industrial Policy & Promotion from time to time
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
Financial Year/Fiscal//fiscal/ Fiscal Year/FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FPI(s)	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations
GIA	The Gemological Institute of America
GoI/Government	Government of India
GST	Goods and Service Tax
ICAI	The Institute of Chartered Accountants of India
ICRA	ICRA Limited
IFRS	International Financial Reporting Standards issued by International Accounting Standards Board
IGI	International Genealogical Index
IT	Information Technology
Income Tax Act/IT Act	Income Tax Act, 1961
Ind AS	IFRS converged Indian Accounting Standards, notified pursuant to the Companies (Accounting Standards) Rules, 2015 issued by the MCA on February 16, 2015, which is effective from April 1, 2016 or April 1, 2017, as applicable.

Term	Description
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial public offering
IST	Indian Standard Time
Legal Metrology Act	Legal Metrology Act, 2009
MCA	Ministry of Corporate Affairs, Government of India
Mn/mn	Million
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A./NA	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
Notified Sections	The sections of the Companies Act, 2013 that were notified by the Ministry of Corporate Affairs, Government of India
NR	Non-resident
NRE Account	Non-Resident External Account
NRI	A person resident outside India, who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
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. OCBs are not allowed to invest in the Issue
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
RBI	Reserve Bank of India
Regulation S	Regulation S under the Securities Act
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014

Term	Description
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996
Securities Act	U.S. Securities Act of 1933, as amended
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
Stock Exchanges	BSE and NSE
STT	Securities Transaction Tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Trademarks Act	Trademarks Act, 1999
U.S./USA/United States	United States of America
US GAAP	Generally Accepted Accounting Principles in the United States of America
USD/US\$	United States Dollars
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to “India” contained in this Draft Red Herring Prospectus are to the Republic of India.

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

Financial Data

Unless stated otherwise, the financial information in this Draft Red Herring Prospectus is derived from our Restated Financial Information and certain other additional financial information pertaining to our Group Company are derived from their respective audited financial statements. The Restated Financial Information included in this Draft Red Herring Prospectus are prepared in accordance with the Companies Act, Ind AS and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the ICAI.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places. However, where any figures may have been sourced from third-party industry sources, such figures may be rounded-off to such number of decimal points as provided in such respective sources. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

Our Company’s financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the 12 month period ended on March 31 of that year. Reference in this Draft Red Herring Prospectus to the terms Fiscal or Fiscal Year or Financial Year is to the 12 months ended on March 31 of such year, unless otherwise specified.

There are significant differences between Ind AS, US GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or US GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, the Companies Act, Ind AS and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. Reference in this Draft Red Herring Prospectus to the terms Fiscal or Fiscal Year or Financial Year is to the 12 months ended on March 31 of such year, unless otherwise specified.

Unless the context otherwise indicates, any percentage amounts, as set forth in the sections entitled “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Conditional and Results of Operations*” on pages 17, 119 and 248, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of our Restated Financial Information.

Currency and Units of Presentation

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” are to Indian Rupee, the official currency of the Republic of India; and
- “USD” or “US\$” are to United States Dollar, the official currency of the United States.

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in “million” units. One million represents 1,000,000 and one billion represents 1,000,000,000. All the numbers in this Draft Red Herring Prospectus are in million or in whole numbers where the numbers have been too small to present in million, as appropriate.

Exchange Rates

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

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and the US\$ (in Rupees per US\$):

(Amount in ₹, unless otherwise specified)					
Currency	As on March 31, 2018*	As on March 31, 2017	As on March 31, 2016	As on March 31, 2015	As on March 31, 2014*
1 US\$	65.04	64.84	66.33	62.59	60.10

Source: RBI Reference Rate

* Exchange rate as on March 28, 2014, as RBI Reference Rate is not available for March 31, 2014, March 30, 2014 and March 29, 2014 being a public holiday, a Sunday and a Saturday, respectively and exchange rate as on March 28, 2018, as RBI Reference Rate is not available for March 31, 2018, March 30, 2018 and March 29, 2018 being a Saturday and two public holidays respectively.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as industry publications and sources such as a report dated April, 2018 and titled “Assessment of the gems and jewellery industry in India” (the “**CRISIL Report**”) that has been prepared by CRISIL Research, a division of CRISIL Limited (“**CRISIL**”).

Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Although we believe that the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us, our Directors, our Promoters, the BRLMs or any of their respective affiliates or advisors, and none of the parties make any representations as to the accuracy of this information. The data used in these sources may have been reclassified by us for the purposes of presentation. The data from these sources may also not be comparable. Industry sources and publications may also base their information on estimates and assumptions that may prove to be incorrect.

Further, the extent to which the industry and market data presented in this Draft Red Herring 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.

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

CRISIL has issued the following disclaimer for inclusion of the information in the CRISIL Report in this Draft Red Herring Prospectus:

“CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. P.N. Gadgil & Sons Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to

information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Limited (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval."

In accordance with the SEBI ICDR Regulations, the section "Basis for Issue Price" on page 88 includes information relating to our peer-group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLMs have independently verified such information.

The extent to which the market and industry data used in this Draft Red Herring 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 the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

FORWARD-LOOKING STATEMENTS

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

These forward-looking statements are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. This may be due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the jewellery industry in India and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India, which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. Important factors that would cause actual results to differ materially from our company’s expectations include, but are not limited to:

- The non-availability or high cost of quality gold bullion, silver, diamonds, and precious stones;
- Any adverse change in regulations and/or policies of the Reserve Bank of India regulating sourcing of gold under the gold loan scheme;
- Changes in consumer demands and market trends;
- Our ability to effectively manage our expanded operations or pursue our growth strategy and our business prospects;
- Our ability to renew our existing leases or secure new leases for our existing or proposed new stores or offices on commercially acceptable terms;
- Inability to continue to implement our marketing and advertising initiatives and brand building exercises;
- Significant fluctuations in the price of gold and diamonds;
- Inability to obtain sufficient working capital to fund our operations and growth;
- Economic conditions and customer preferences in the regions in which we operate;
- Our ability to maintain or establish arrangements with contract manufacturers and artisans;
- Our ability to maintain and grow our brand and reputation; and
- Changes in competition in our industry and in the regions where we operate.

For further discussion on factors that could cause actual results to differ from expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 17, 119 and 248, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Forward-looking statements reflect current views as of the date of this Draft Red Herring Prospectus 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. Neither our Company, our Directors, the BRLMs nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our Company and the BRLMs will ensure that the investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

SECTION II: RISK FACTORS

RISK FACTORS

An investment in the equity shares involves a high degree of risk. You should carefully consider all of the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. Bidders should pay particular attention to the fact that we are governed in India by a legal and regulatory environment which in some material respects may be different from that which prevails in other countries. In making an investment decision, Bidders must rely on their own examination of our Company and the terms of the Issue, including the risks involved. If any or some combination of the following risks occur or if any of the risks that are currently not known or deemed to be not relevant or material now, actually occur, our business, prospects, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment. To obtain a more detailed understanding of our business and operations, please read this section in conjunction with the sections titled “Our Business”, “Industry Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 119, 94 and 248, respectively.

We have described the risks and uncertainties that our management believes are material, but these risks and uncertainties may not be the only ones we face. Additional risks and uncertainties, including those we are not aware of, or deem immaterial or irrelevant, may also result in decreased revenues, increased expenses or other events that could result in a decline in the value of the Equity Shares. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus.

Unless otherwise indicated, all financial information included herein are based on our Restated Financial Information on page 162.

Internal Risks Related to Our Business

1. *The present geographic concentration of our operations exposes us to regional customer preferences, economic downturns, natural disasters, catastrophic occurrences and civil disruptions*

We strive to appeal to a customer base in Maharashtra for which we endeavour to understand the local market preferences and geographical trends of the markets in which we operate and offer jewellery accordingly. As a result, our business is currently more susceptible to regional conditions in Maharashtra, and we are vulnerable to economic downturns and changing customer preferences in the region. Any unforeseen events or circumstances that negatively affect Maharashtra could have an adverse material effect on our sales and profitability. These factors include, among other things, changes in demographics, population and income levels. Further, being concentrated to the customer base in Maharashtra, we are not able to cater such other regions which may have greater demand of jewellery products and/or higher margins. In addition, our business may be more susceptible to natural disasters and other catastrophes, public disturbances like riots and strikes, than the operations of more geographically diversified competitors. While we have not had any material instances of disruption in our operations at our stores or other locations due to natural disasters or civil disruptions in the past, any instance of natural disasters or civil disruptions could have an adverse effect on our business, financial condition and results of operations.

2. *We may be unable to maintain or establish arrangements with contract manufacturers and artisans through whom we manufacture our products and may experience other disruptions or quality control risks while working with such parties.*

We manufacture our products through our network of contract manufacturers and artisans. While we have written agreements with some of our contract manufacturers, they are not contractually bound to deal with us exclusively. Thus, we may face the risk of our competitors offering them better terms, which may cause

them to prefer our competitors over us. Moreover, even though some of artisans have been working with us for a significantly long period, they do not work exclusively for us. Should some or all of such contract manufacturers and/or artisans decide to not undertake manufacturing work of our jewellery, we will have to strain our resources to find other artisans with suitable skills and resources. Also, there can be no assurance that we will be able to identify suitable artisans in a timely manner or on commercially favourable terms or at all.

Our arrangements with our contract manufacturers could involve various risks, including potential interruption to their operations for factors beyond their or our control, any significant adverse changes in their financial or business conditions, as well as low levels of output or efficiency. As we control the manufacturing process the ultimate risk of the raw materials and finished product lies with us. Any disruption in the operations of these contract manufacturers could have an adverse impact on our financial condition and results of operations.

The artisans with whom we do not have any written arrangement for the work outsourced to them are also exposed to operating risks such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency or deficient work performed by artisans, other natural disasters, and industrial accidents. The occurrence of any of these events could have a material adverse effect on our business, financial condition, and results of operations.

In addition, while we control the entire manufacturing process and undertake a number of quality control procedures to ensure we are selling only quality jewellery to our customers, including having most of our jewellery BIS hallmarked and conducting sample tests on each new batch of products we receive from our contract manufacturers, there is no assurance that our quality control measures will be effective. If we receive negative publicity about the quality of our jewellery or our artisans or our contract manufacturers receive negative publicity, our reputation, business and results of operations could be adversely affected.

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

We consider our brand '*P.N. Gadgil & Sons*' to be very important for our business. Our business and results of operations are influenced by the strength of the '*P.N. Gadgil & Sons*' brand including the level of consumer recognition and perception of our brand. Further, we believe that the customers might face difficulty in differentiating between our Company and other entities using '*P.N. Gadgil*' or similar names. Although, we have registered our logo, the use of the words '*P. N. Gadgil*' in the corporate and trading names by certain third parties who may also have a right to use those words in their names can lead customers to confuse them with our Company and if such third parties with similar corporate and trading names, experience any negative publicity or reputational loss, it could have an adverse effect on our business, results of operations and financial condition.

Our Company was incorporated on November 6, 2017 under Part I of Chapter XXI of the Companies Act. Prior to the formation of our Company, the current business was carried on by our Promoters in the name of M/s P.N. Gadgil & Sons, as a partnership firm since February 2012. During this period, the partnership firm has been reconstituted several times. To our knowledge, there are other entities using similar names. This confusion might also lead to our Company losing business to such competitors using similar names and might adversely affect our goodwill and results of operations.

The strength of our brand depends on factors such as our growth, our product designs, the raw materials used to make our products, the quality of our products, the distinct appeal and presentation of our products as well as the layout of our stores. Public communication activities such as advertising, public relations and marketing as well as the general perception of our business also impact our brand. Failure to manage any of the above factors or failure of our promotion and other activities to differentiate and further strengthen our brand could adversely affect the value and perception of our brand and our ability to retain existing and attract new customers, and, as a result, have a material adverse effect on our business, results of operations and financial condition.

A critical component of our brand promotion strategy is maintaining the quality of our products and the experience that customers associate with our brand. Our ability to provide a high-quality experience to our customers is dependent on internal and external factors, such as the reliability and performance of the contract manufacturers and artisans who produce our jewellery, as well as the employees in our stores. We

rely on the staff in our stores to ensure that our products are promoted and sold in an environment that is consistent with the perception and reputation of our brand. Any failure to meet the expectations of customers or present products consistent with our brand positioning, or to adopt and maintain uniform brand standards, could damage the perception of our brand and have a negative impact on overall engagement with our customers.

4. *We may be unable to respond to changes in consumer demands and market trends in a timely manner.*

Our success depends on our ability to identify product and market trends at a local level, as well as to anticipate, gauge and react to rapidly changing consumer demands in a timely manner. Our products must also appeal to a broad range of customers whose preferences may vary significantly across regions and cannot be predicted with certainty. We cannot assure that the demand for our products with end-consumers will continue to grow or that we will be able to continue to develop appealing styles or meet rapidly changing consumer demands in the future. If we misjudge the market for our jewellery products or fail to anticipate a shift in consumer preferences, we may be faced with a significant reduction in revenues. We produce jewellery targeted to suit regional jewellery styles and preferences, which means the potential market for such jewellery is more limited than the market for more generically-designed jewellery.

Customer preferences regarding gold, silver, diamonds and other precious metals and gemstones also influence the level of our sales. Customer preferences could be affected by a variety of factors, including promotion of specific types of jewellery by the fashion industry, such as the promotion of silver over traditional gold jewellery, a decrease in the perceived value and customer satisfaction of the jewellery compared to its price, the availability of alternate metals and consumer attitudes towards the substitution of our products with other products or a shift in customer preference to other luxury products.

Any inability to respond to changes in consumer demands and market trends in a timely manner could have material adverse effect on our business, financial condition and results of operations.

5. *We face significant competition in the regional jewellery market, which may reduce our market share and adversely affect our business, financial condition, results of operations and prospects.*

The domestic retail jewellery industry is highly fragmented and dominated by the unorganized players, from which the organized retail jewellery players face intense competition. The unorganized players offer their products at highly competitive prices which may not be matched by us when we expand our retail operations in the domestic market, consequent to our expansion plans, which may affect our volume of sales and growth prospects. Further, our primary competitors include PC Jewellers Limited, Tribhovandas Bhimji Zaveri Limited, Waman Hari Pethe Jewellers India Private Limited and Waman Hari Pethe Sons Private Limited and entities using ‘P.N. Gadgil’ or similar names in the organized market and we compete against the unorganized players in almost every regional market. Some of our competitors may be larger than us in terms of business volume and may have greater capital, geographical presence, technical capabilities and financial and other resources than us which may enable them to undertake larger and more complex projects. In addition, the unorganised players may be in a position to compete effectively against us based on price and their concentrated size and focus. For details of our competitors, see the section “*Our Business – Competition*” on page 128.

Additionally, customer acquisition and retention remain key focus areas for us. We compete for customers based on various factors, including design of our jewellery, pricing, discounts, quality of our jewellery, customers’ purchase experience and aftersales service. If we do not compete effectively in these areas, it could lead to a decrease in our market share and an increase in our marketing and other expenses. This could adversely affect our profitability, as it would cause a reduction in our revenue and increase in selling costs to replace customers and recapture lost revenue. Aggressive discounting by competitors may force us to reduce our prices in order to remain competitive and may thereby adversely impact our operating margins and results of operations. The pricing of gold jewellery in particular is extremely competitive due to its objectively verifiable value, resulting in us having limited control over pricing of our gold jewellery. There can be no assurance that we can continue to effectively compete with our competitors in the future, and any failure to compete effectively may have a material adverse effect on our business, financial condition, results of operations and prospects.

6. *Failure to manage inventory and risk relating to inventory on account of decreases in the value of gold, silver, diamonds & diamond jewellery and precious stones*

Raw materials, which we use for our manufacturing process, include gold, silver and precious stones. Our results of operations are dependent on our ability to effectively manage our inventory. To effectively manage our inventory, we must be able to accurately estimate customer demand and purchase or acquire new inventory accordingly. If our management misjudges expected customer demand, it could adversely impact the results by causing either a shortage of inventory or an accumulation of excess inventory. Further, if we fail to sell the inventory we manufacture or procure, we may be required to write down our inventory or create additional vendor financing, which would have an adverse impact on our income and cash flows. Decreases in the value of gold, silver and diamonds would reduce the value of our inventory, which could have a material adverse effect on our results of operations and financial condition. As at March 31, 2018, our inventory of gold jewellery was ₹ 2,972.49 million, silver (including silver utensils and silverware) was ₹ 212.96 million, diamonds and diamond jewellery was ₹ 615.31 million and platinum was ₹ 19.23 million. A pro-longed decline in the price of gold, silver and diamonds would have an effect on value and inventory of gold, silver and diamonds, which would have an adverse effect on our results of operations and financial condition.

7. *If we are unable to open more stores within decided timeframe, it could have an adverse impact on our business and growth prospects.*

We have 25 stores comprising of 23 stores in Maharashtra and one in Gujarat and Karnataka each as of March 31, 2018. We intend to deploy ₹ 2,557.40 million for establishing 15 proposed retail stores at 15 locations in Maharashtra and / or adjoining states by Fiscal 2020. The Net Proceeds will be utilized towards capital expenditure to be incurred for opening of proposed new stores including costs relating to interior works of the stores and cost of finished products to be stocked in such stores; which we expect to be the primary costs to be incurred in setting up of the proposed new stores. For further details, please see “*Objects of the Issue*” on page 80. Our success in achieving future growth is dependent upon our ability to set up our proposed new stores and hiring new staff for these stores. We must compete with other retailers to lock in locations for proposed new stores. We cannot assure you that we will be able to expand and grow at the rate at which we plan to, as we may not be able to find suitable properties for new stores at prices that are viable for our business. If we are not able to lease the locations at the time, place and cost that we desire, the same may have a material adverse impact on our growth prospects.

Further, as we expand our distribution network, we will be exposed to various challenges. We will be required to obtain certain approvals to carry on business in new locations and there can be no assurance that we will be successful in obtaining such approvals. We may require additional working capital which may not be available or not be available at commercially viable terms. Our interest payment obligations may also increase, and we may become subject to additional covenants from lenders, including additional restrictions on the operation of our business. Further, we expect our expansion plans to place significant demands on our managerial, operational and financial resources, and our expanded operations will require further training and management of our employees and the training and induction of new employees. In addition, as we enter new locations, we will face competition from regional, national or international players, who may have an established local presence, and may be more familiar with local customers' design preferences, business practices and customs.

While we intend to continue to expand our operations in Maharashtra and / or adjoining states, we may not be able to sustain growth levels, and may not be able to leverage our experience in our existing markets in order to grow our business in new locations. Our inability to effectively manage our expanded operations or pursue our growth strategy may lead to operational and financial inefficiencies, which could have a material adverse effect on our business prospects, financial condition and results of operations.

8. *Our inability to continue to implement our marketing and advertising initiatives and brand building exercises could adversely affect our business and financial condition.*

The ability to differentiate our brand, products and stores from our competitors through our branding, marketing and advertising programs is an important factor in attracting customers. Creating and maintaining public awareness of our brand is crucial to our business and we accordingly invest in various marketing and advertising campaigns. If these campaigns are poorly executed or fail to elicit interest in

potential customers, or customers lose confidence in our brand for any reason, it could harm our ability to attract and retain customers.

Further, due to the competitive nature of the market in which we operate, if we do not continue to develop our brand and products, we may fail to attract customers which are required to continue growing our business. Developing, promoting and positioning our brand will depend largely on the success of our marketing and advertising initiatives, the relationships we have with our customers and our ability to provide a consistent, high quality experience for our customers. In particular, we may face brand dilution to the extent we fail to develop, promote and position our brand effectively and consistently with respect to new products or any new product categories. To promote our brand and products, we have incurred, and expect to continue to incur, substantial expenses related to advertising and other marketing initiatives, including advertisements in newspapers, magazines, radio, movie and television serial collaborations, social media and television. Further, while we have commenced sales through our website, the revenues from online sales are presently marginal. There can be no assurance that our online sales strategy will be successful in the future. Our expenses for advertising represented 0.78%, 0.79% and 0.67% of our total revenues for Fiscals 2018, 2017 and 2016, respectively. Furthermore, there can be no assurance that our marketing efforts will succeed in maintaining our brand and its perception with customers.

9. *Our income and sales are subject to seasonal fluctuations and lower income in a peak season may have a disproportionate effect on our results of operations.*

Our industry has seasonal fluctuations in revenues and profitability, corresponding with the wedding season and festivals. Our sales have historically exhibited certain seasonal fluctuations, reflecting lower sales volumes during monsoon season, higher sales volumes and profit margins during the festive period and other occasions such as Valentine's Day, Ganesh Chaturthi, Durga Puja, Gudi Padwa, Akshaya Tritiya, Dhanteras, Diwali and Christmas which occur in the third and fourth quarter of the Fiscal. This period also coincides with the wedding season in India. While we stock certain inventory to account for this seasonality, our fixed costs such as lease rentals, employee salaries, showroom operating costs and logistics-related expenses, which form a significant portion of operating costs, are relatively constant throughout the year. Consequently, lower than expected sales during the third or fourth quarters of the Fiscal or more pronounced seasonal variations in sales in the future could have a disproportionate impact on our operating results for the fiscal year or could strain our resources and impair our cash flows. Any slowdown in demand for our jewellery during peak seasons or failure by us to accurately anticipate and prepare for such seasonal fluctuations could have a material adverse effect on our business, financial condition and results of operations.

10. *We require certain approvals, permits and licenses in the ordinary course of business and any failure or delay to obtain or renew them or to comply with their conditions in the future may adversely affect our operations.*

We require certain statutory and regulatory permits, licenses and approvals for our business. We may also need to apply for more approvals in the future including renewal of approvals that may expire from time to time. In particular, we require shops and establishment licenses and hallmark registration for our stores. These approvals are subject to periodic renewal. In addition, we require certain approvals, licenses, registrations and permissions under various regulations, guidelines, circulars and statutes regulated by authorities such as the Government of India, the state governments and certain other regulatory and government authorities, for commencement of the operations of our proposed new stores. There can be no assurance that the relevant authorities will issue such permits or approvals in the timeframe anticipated by us or at all. Our failure to renew, maintain or obtain the required permits or approvals within the requisite time may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

Certain statutory and regulatory permits, licenses and approvals are still in the name of the Erstwhile Partnership Firm which was converted into our Company in November 2017. While we have made, or are in the process of making, applications for the transfer/registration of some of such permits, licenses and approvals in the name of our Company, there can be no assurance that we will be able to obtain any such transfer / registration in a timely manner or at all. Further, we have not made applications for the transfer / registration applications of some of such permits, licenses and approvals in the name of our Company. For further details of such approvals, see "Government and Other Approvals" on page 277. Any failure or delay in obtaining such approvals, permits and licenses, or the transfer/registration thereof in the name of our

Company, may affect our ability to continue our operations, which may in turn have an adverse effect on our business and results of operations.

The aforesaid permits, licenses and approvals are subject to several conditions, and we cannot assure you that we shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, which may lead to cancellation, revocation or suspension of relevant permits/licenses/approvals. Further, we cannot assure you that penalties under applicable laws would not be imposed on us in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. For details of key regulations applicable to our business and our operations, see “*Regulations and Policies in India*” on page 130 and for details of approvals relating to our business and operations, see “*Government and Other Approvals*” on page 277.

11. *Our business depends on our Promoters and senior management and our ability to attract and retain sales personnel.*

We believe the experience of our Promoters and senior management has been critical to our success and business growth. The family of one of our Promoters, namely Govind Gadgil has been associated with the jewellery industry since 1832. Further, Govind Gadgil himself has 40 years of experience in this industry. We believe that the experience of our senior management personnel such as our Whole-time Director and Chief Executive Officer, Amit Modak, has translated into the enhancement of our product quality, increased profitability and improved margins which give us a competitive edge. The strong relationships that our Promoters and senior management share with our suppliers and other industry participants have been instrumental in implementing our growth strategies. As a result, any loss of the services of any of our Promoters or senior management personnel or zonal heads could materially and adversely affect our business, financial condition and results of operations. The replacement of senior management personnel may not be straightforward or achievable in a timely manner, and we may be required to wait indefinitely to fill positions until we find suitable candidates. Furthermore, attracting and retaining experienced and qualified senior management could require increasing compensation and benefits payable to such personnel, which could affect our operational costs and accordingly, our financial condition and results of operations.

Our success is also dependent on our ability to attract, hire, train and retain experienced sales personnel at our various stores, including sales personnel who are fluent in speaking regional languages. In the jewellery industry, the level and quality of sales personnel and customer service are key competitive factors, and an inability to recruit, train and retain suitably qualified and skilled sales personnel who maintain consistency in our standards of customer service and overall operations could adversely impact our reputation, business prospects and results of operations. Furthermore, there can be no assurance that attrition rates for our employees, including our management and sales personnel, will not increase. A significant increase in our employee attrition rate could also result in decreased operational efficiencies and productivity, loss of market knowledge and customer relationships, and an increase in recruitment and training costs, thereby materially and adversely affecting our business, results of operations and financial condition.

12. *Our success is dependent upon our ability to attract and retain customers. Should we not be able to attract and retain customers, it could materially and adversely affect our business, financial condition and results of operations.*

We believe that, our strategically located stores, provide our customers with a standardized experience, which reinforces our positioning as a trusted jewellery retailer. We endeavour to open stores in optimal locations and consider a relevant location’s demographics, spending capacity, economic conditions, cost-benefit analysis and proximity to our competitors before opening a store. Further, we also exchange jewellery sold by us to develop loyalty among our customers. We believe that these measures contribute to enhancing our brand, customer trust and loyalty and result in increased sales. Sales at our stores are derived, in part, from the volume of customer visits in the relevant locations. Showroom locations may become unsuitable due to, and our sales volume and customer footfall generally may be slowed by, among other things, economic downturns in a particular area, competition from nearby jewellery companies, changing customer demographics in a particular market, changing lifestyle choices of customers in a particular market or failure to make available wide range of jewellery, and the popularity of other businesses located near the location. Along with our dependence on customers visiting our stores, our success is dependent upon the continued popularity of particular locations. Changes in areas around our showroom locations that result in reductions in customer traffic or otherwise render the locations unsuitable or change in jewellery

exchange policies could result in reduced sales volume, which could materially and adversely affect our business, financial condition and results of operations.

13. *The non-availability or high cost of quality gold bullion, silver, diamonds and precious stones may have an adverse effect on our business, results of operations, financial condition and prospects.*

Timely procurement of materials such as gold bullion, silver, diamonds and precious and semi-precious stones, as well as the quality and the price at which they are procured, play an important role in the successful operation of our business. We have a centralized system of inventory/ raw material procurement. We purchase gold bars and silver bars from authorised bullion dealers, banks and scrap gold across the counter. We also procure gold jewellery through our exchange policy. We purchase diamonds from 'sightholders' who are authorised bulk purchasers of rough diamonds and listed with the 'De Beers Global Sightholder Sales' list.

We may also require specific quality raw materials including precious stones for a particular jewellery design. Accordingly, our business is affected by the availability, cost and quality of raw materials. The prices and supply of these and other materials depend on factors beyond our control, including general economic conditions, competition, production levels and regulatory factors.

We cannot assure you that we will be able to procure quality raw materials at competitive prices or at all. In addition, if for any reason, our primary suppliers including the bullion traders should curtail or discontinue their delivery of such raw materials to us, in the quantities we need and at prices that are competitive, our ability to meet our material requirements for our operations could be impaired, our delivery schedules could be disrupted and our business and reputation may be adversely affected. Further, any rise in gold or silver prices may cause customers to delay their purchases, and thereby may have an adverse effect on our business, operations and financial condition.

We typically execute purchase orders for gold bullion, silver and diamonds on a spot basis with our suppliers and have not entered into any long-term contracts with them. Purchase of gold bullion, silver and diamonds is on a fixed payment basis i.e. the price and the credit period are fixed at the time of purchase. Should any of these suppliers cease to be able or willing to continue supplying us with gold bullion, silver and diamonds on terms that are acceptable to us, we may have to find other suppliers. There can be no assurance that such other suppliers will be able to meet our needs or be as reliable or provide gold bullion, silver and diamonds of the same quality at the same prices as our current suppliers. Any disruption of supplies from our current suppliers or a failure to adequately replace them may materially and adversely affect our business, financial condition and results of operations.

14. *We must continue to successfully adapt our systems, including internal controls and procedures of financial reporting, for managing increasing complexity, which may place strain on our managerial and operational resources.*

The increasing complexity of our operations may place additional requirements on our systems, controls, procedures and management and, as a result, may strain our ability to manage our future growth. As part of this, we have designed, implemented and continue to improve a variety of new governance and management policies. As a result, some of our internal controls are relatively new and may possibly require further adjustments or modifications. Our ERP system permits our management to manage various aspects of our operations, including procurement of raw materials and semi-finished products, inventory management and sales and finance functions from a centralised platform. We believe that the reports generated at store level and organization level through our ERP system with respect to product aging analysis, slow & fast moving products categories and sub-categories help to cater regional customer preferences and designs our procurement policy and inventory policy.

In addition, the design of any control system is based in part upon certain assumptions about the likelihood of future events. Because of these and other inherent limitations of control systems, there can be no assurance that any specific control system will succeed in achieving its stated goals under all potential future conditions, regardless of how remote these are. In addition, as a result of our growth strategy and the complexity of our operations, internal controls over financial reporting need to be kept under regular review which may place strain on our managerial and operational resources.

All our control systems are dependent on third-party software and technology such as employee attendance. Our third-party software may be subject to damage, software errors, computer viruses, security breaches and delayed or failed implementation of new updates. Damage or interruption to our third-party and other control systems may require a significant investment to fix or replace them, and we may suffer interruptions in our operations as a result.

15. *Our procurement is centralised from our office in Pune and it could result in adverse effect on our business.*

We have one integrated office which is located in Pune from where we centrally procure raw material. We believe that one central office helps us to minimize our cost and enables us to competitively price our products. However, since we have one central office in one location, our procurement and consequently, our production may be stalled *inter alia* owing to power failures, natural calamities, or civic unrest which may impact our production, delivery of goods and financial results. Consequently, we may need to explore suitable opportunities in other parts of the country in which we currently have no or only limited operations, in order to expand our current portfolio and gradually reduce our dependence on any particular region in the country.

16. *We may be subject to fraud, theft, employee negligence or similar incidents which could adversely affect our results of operations and financial condition.*

Our operations may be subject to incidents of theft of cash, theft or damage to inventory in transit during store stocking and display. Our industry typically encounters some inventory loss on account of employee theft, shoplifting, vendor fraud, credit card or demand draft or cheque related frauds and general administrative error. We maintain large amounts of inventory at all our stores at all times and had inventory of ₹ 3,819.99 million and cash and cash equivalents of ₹ 273.40 million, as of March 31, 2018. Although we have a security system in place and have not experienced any material loss of inventory or cash due to theft since our inception, either by third parties or our employees, there can be no assurance we will not do so in the future. There can be no assurance that we will not experience any fraud, theft, employee negligence, delays on part of artisans, security lapse, loss in transit or similar incidents in the future, which could adversely affect our results of operations and financial condition.

Additionally, in case of losses due to theft, fire, breakage or damage caused by other casualties, there can be no assurance that we will be able to recover from our insurers the full amount of any such loss in a timely manner, or at all. If we incur a significant inventory loss due to a third-party including customer or artisans or contract manufacturers or employee theft and if such loss exceeds the limits of, or is subject to an exclusion from, coverage under our insurance policies, it could have a material adverse effect on our business, results of operations and financial condition. In addition, if we file claims under an insurance policy it could lead to increases in the insurance premiums payable by us or the termination of coverage under the relevant policy.

17. *The objects of the Issue are not being appraised*

Our management will have broad discretion over the use of the Net Proceeds, and the Net Proceeds might not be applied in ways that increase the value of your investment. We intend to use the Net Proceeds for repayment/ prepayment of loans, to finance establishment of proposed new stores and for general corporate purposes. In response to the dynamic nature of our business, our management will have broad discretion to revise our business plans, estimates and budgets from time to time. The deployment of the Net Proceeds is based on management estimates, current circumstances of our business, prevailing market conditions and contracts and quotations received from vendors and third-party agencies and has not been appraised by any bank, financial institution or other independent institution. We may have to revise our funding requirements and deployment from time to time due to various factors, such as changes in costs, financial and market conditions, business and strategy considerations and interest and exchange rate fluctuations or other external factors, which may not be within the control of our management. This may entail rescheduling and revising planned expenditure and funding requirements and increasing or decreasing expenditures for a particular purpose from planned expenditures at the discretion of our management and subject to applicable law. Accordingly, investors in our Equity Shares will be relying on the judgment of our management regarding the application of the Net Proceeds. Further, our Company will appoint a monitoring agency for monitoring the utilisation of Net Proceeds in accordance with Regulation 16(7) of the SEBI ICDR Regulations and the monitoring agency will submit its report to our Company on a quarterly basis in

accordance with the SEBI ICDR Regulations. The application of the Net Proceeds in our business may not lead to an increase in the value of your investment. Various risks and uncertainties, including those set forth in this section “*Risk Factors*”, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. For details see, “*Objects of the Issue*” on page 80.

18. *We have not entered into definite agreements for the retail spaces for which Net Proceeds are proposed to be deployed.*

We have not identified the exact locations where we propose to establish proposed new stores and have not entered into any definitive agreements to utilise the Issue proceeds. The objects of the Issue include financing of setting up 15 new stores in Maharashtra and/or adjoining states. Except Shirdi, where we have executed the lease agreement, our Company is yet to identify the locations for its proposed stores. Within these cities, the exact location of where these stores would be located has not yet been finalised. We cannot assure you that we would be able to identify suitable premises, or be able to own, enter into lease or leave and license agreements for any such identified premises at a competitive cost, or at all. If we are unable to identify suitable premises, it may lead to delays in the establishment of such stores or we may be required to change our business plans.

Further, we may incur substantial cost overruns if we are required to pay rent which is higher than our expectations, which may adversely affect the profitability of such stores. Failure to appropriately train our zonal heads and other personnel to independently handle store locations or recruit store managers from outside may result in delay in opening the store. Any such delay or cost overruns could have a material adverse effect on our expansion plans and consequently on our business, results of operations and financial condition.

19. *We may be subject to negative publicity with respect to our products or brand.*

Our business is dependent on the trust our customers have in the quality of our products. Any negative publicity by disgruntled employees or otherwise regarding our Company, our products or the jewellery industry in general could adversely affect our reputation and our results of operations. Our brand can be adversely affected by negative publicity concerning other businesses using the ‘*P.N. Gadgil*’ or similar corporate and trade names. The ‘*P. N. Gadgil*’ name is used by the certain distant relatives of our Promoters in other business lines and any negative publicity with respect to such other businesses could adversely impact our Company. Any negative publicity regarding our Company or that of the ‘*P.N. Gadgil*’ or similar corporate and trade name could have material adverse effect on our business, financial condition and results of operations.

20. *Volatility in the market price of gold, silver, diamonds and precious stones and opening of new stores has a bearing on the value of our inventory and could affect our income, profitability and scale of operations.*

The jewellery industry generally is affected by fluctuations in the price and supply of gold, silver, and diamonds and, to a lesser extent, other precious and semi-precious metals and stones. Fluctuations in gold, silver and diamond prices might affect our results of operations in various ways. An increase in the price of gold, silver and diamond may result in an increase in our income from sales assuming such increases do not adversely affect sales volumes and our ability to effectively pass on corresponding increase in costs to customers. However, a significant increase in the price of gold, silver and/or diamonds, or a negative outlook on future gold, silver and/or diamonds prices could, adversely affect our sales volumes. A sudden fall in the market price of gold, silver and diamonds may affect our ability to recover our procurement costs. Conversely, an increase in the price of gold, silver and diamonds could lead to a decrease in demand for diamond jewellery and/or a decrease in our profit margins. Consequently, any such fluctuation in the price of gold, silver and diamonds or other raw materials may adversely affect our income, profitability and results of operations.

We are planning to open proposed new stores in Maharashtra and/or adjoining states in the forthcoming years and we are required to ensure effective inventory management. If we are unable to attract sufficient demand for our more localized jewellery products, or identify artisans to make jewellery which is appealing to the local population or if we fail to appropriately move such inventory to our other stores, we may face risks of excess inventory. We may also have to bear costs to recast overstocked jewellery. These factors

could result in lower sales volumes for our products, which could adversely affect our financial condition and results of operations.

21. *Our Promoters will continue to retain majority shareholding in our Company subsequent to the Issue, which will allow them to exercise significant influence over our Company.*

The majority of our issued and outstanding Equity Shares are currently beneficially owned by our Promoters. Upon completion of the Issue, our Promoters will own [●] Equity Shares, or [●]% of our post-Issue Equity Share capital (assuming full subscription of the Issue). Accordingly, our Promoters will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders' approval, including the composition of our Board, the adoption of amendments to our memorandum and articles of association, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these shareholders. The interests of the Promoters as our Company's controlling shareholders could conflict with our Company's interests or the interests of its other shareholders. We cannot assure that the Promoters will act to resolve any conflicts of interest in our Company's or your favour.

22. *Our Promoters and certain of our Directors, KMPs hold Equity Shares and/or ESOPs in our Company and are therefore interested in our performance in addition to their remuneration and reimbursement of expenses.*

Certain of our Directors (including our Promoters) and KMPs are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. Further, our Directors and KMPs also hold ESOPs in our Company and may be interested to this extent in the Company. We cannot assure you that our Promoters will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters, Directors or Key Management Person will continue to exercise significant control over our Company. Our Promoters may take or block actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders. For details on the interest of our Promoters, Directors and KMPs of our Company, other than reimbursement of expenses incurred or normal remuneration or benefits, see the sections titled "Our Management – Interest of Directors" and "Our Promoters and Promoter Group – Interest of Promoters" on pages 142 and 154, respectively.

23. *Changes or a downturn in economic conditions, in particular in our principal markets, may affect consumer purchases of discretionary items, such as our products.*

Our revenues and results of operations are impacted by global economic conditions as well as the specific economic conditions in our principal markets of Maharashtra. Changes in economic conditions include levels of employment, inflation or deflation, real disposable income, interest rates, taxation, government policies, currency exchange rates, stock market performance, the availability of consumer credit, levels of consumer debt, consumer confidence, consumer perception of economic conditions and consumer willingness to spend, all of which are beyond our control. An economic downturn or an otherwise uncertain economic outlook in our principal markets, in any other markets in which we may operate in the future, or on a global scale could adversely affect our consumer spending habits and traffic, which could have a material adverse effect on our business, results of operations and financial condition. Additionally, an increase in interest rates may adversely affect our access to capital and increase our borrowing costs, which may constrain our ability to grow our business and operate profitably.

If economic downturns occur or persist in our principal markets or globally, our business, results of operations and financial condition may be adversely affected, particularly if our customers reduce or eliminate discretionary spending.

24. *The agreements governing our indebtedness contain conditions and restrictions on our operations, additional financing and capital structure.*

As of March 31, 2018, our total outstanding debt was ₹ 2,844.68 million. Our financing agreements governing our borrowings include conditions and restrictive covenants that require us to obtain consents, no-objections or waivers from lenders prior to carrying out specified activities or entering into certain

transactions. Such restrictive covenants, among other things, restrict our ability to borrow additional debt, prepay any of our existing debt, declare dividends or incur capital expenditures beyond prescribed thresholds, amend our constitutional documents, change the capital structure, shareholding pattern or management of our Company, issue any guarantee, use other banks' facilities, make investments other than in the ordinary course of business, sell/transfer/lease/dispose a substantial part of our assets, and form, acquire or invest in any ownership interest in any entity. We cannot assure you that we will be able to obtain approvals to undertake any of these activities as and when required or to comply with such covenants or other covenants in the future.

Under such financing agreements, we are also required to comply with certain financial covenants, such as maintaining prescribed financial ratios at all times.

Further, if we incur more debt or if there is an increase in the applicable interest rates for our existing debt, our interest payment obligations will increase, and we may become subject to additional covenants from lenders, including additional restrictions on the operation of our business. The financing agreements that we are party to, or which we may enter into in the future, may be unilaterally terminated by our lenders or the lenders could decline to lend to us under such agreements.

Under some of our credit facilities, our lenders are entitled to terminate the credit facility in the event of any default committed by us, or even otherwise at their discretion without any prior notice, under other loan facilities. In case we default in any of our outstanding borrowings, we may not be able to declare or issue dividends, without the approval of our lenders. The banks may change the applicable banking policies, increase interest rates or levy penal interest for non-compliances. Inability to effectively service our borrowings or to comply with or obtain waivers of applicable loan covenants may adversely affect our business, results of operations and financial conditions. For further details, please see the chapter entitled "Financial Indebtedness" on page 246.

25. *Govind Gadgil, one of our Promoters, has in the past, failed to comply with the extant RBI guidelines in respect of certain overseas direct investments made by him and by a partnership firm in which he was formerly a partner and we cannot assure you that these contraventions will be compounded by RBI in a timely manner*

Saurabh Gadgil, Parag Gadgil and Govind Gadgil ("**Original Shareholders**"), collectively incorporated PNG Jewellers Inc. ("**PNG Inc**") on June 01, 2007. At the time of incorporation, Saurabh Gadgil paid USD 1,000 towards subscription of shares of PNG Inc, of which USD 400 were paid towards subscription of shares of PNG Inc on behalf of Govind Gadgil. In 2008 and 2009, an Indian partnership firm named P N Gadgil & Co wherein the Original Shareholders were partners remitted a further sum of USD 2,95,000 to PNG Inc, of which USD 1,14,000 was remitted to PNG Inc on behalf of Govind Gadgil. The remittances were made under the Liberalised Remittance Scheme ("**LRS**") and Bank of Maharashtra ("**BoM**") acted as the authorized dealer bank for these remittances. While the LRS did not include any express prohibition regarding investment in companies abroad, as the RBI clarified in 2010 that LRS could not be used for making investment in companies abroad, such investments were in violation of the extant RBI guidelines. Further, the aforementioned remittances and transactions were not reported to the RBI as per the applicable provisions of the Foreign Exchange Management Act, 1999.

Govind Gadgil transferred his shareholding in PNG Inc in 2012 to Saurabh Gadgil for Rs 75 lakh and also retired from P. N. Gadgil & Co on April 1, 2012. He was no longer associated with PNG Inc thereafter. Thereafter, in 2017, Saurabh Gadgil, Govind Gadgil, Parag Gadgil and Vidyadhar Gadgil have filed the requisite ODI reports with delays and have approached the RBI and the authorized dealer bank to regularize these transactions. Once the said transactions are regularized, Govind Gadgil also intends to file an application for compounding the inadvertent contraventions. We cannot assure you that these contraventions will be compounded by RBI in a timely manner.

26. *We have contingent liabilities which have not been provided for in our balance sheet. Any or all of these contingent liabilities may become actual liabilities.*

As of March 31, 2018, we had ₹ 20.63 million of contingent liabilities towards income tax matters that had not been provided for.

Any or all of these contingent liabilities may become actual liabilities. In the event that any of our contingent liabilities become non-contingent, our business, financial condition and results of operations may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future.

27. *We may require additional capital and financing in the future and our operations could be curtailed if we are unable to obtain required additional capital and financing when needed.*

We may need to raise additional capital from time to time, dependent on business requirements. Some of the factors that may require us to raise additional capital include (i) business growth beyond what the current balance sheet can sustain and (ii) significant depletion in our existing capital base due to unusual operating losses. While we do not anticipate seeking additional financing in the immediate future, any additional equity financing may result in dilution for our existing Equity Shareholders. Additional debt financing may impose affirmative and negative covenants that restrict our freedom to operate our business, including covenants that:

- limit our ability to pay dividends or require us to seek consent for the payment of dividends;
- limit our flexibility in raising capital in the form of debt or equity;
- require us to dedicate a portion of our cash flow from operations to payments on our debt, thereby reducing the availability of our cash flow to fund capital expenditures, working capital and other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and our industry;
- limit us from formulating any scheme of amalgamation or reconstruction, merger or demerger; and
- limit us from entering into borrowing arrangements with other banks or financial institutions.

Furthermore, on December 30, 2010, the RBI issued a circular advising banks to classify jewellers as “high risk” and requiring banks to apply enhanced due diligence measures before granting loans to jewellery companies. Such developments could make it difficult for us to secure financing on acceptable terms. We cannot guarantee that we will be able to obtain additional financing on terms that are acceptable to us, or any financing at all, and the failure to obtain sufficient financing could adversely affect our business operations.

28. *We do not register our jewellery designs under the Design Act, 2000 and we may lose revenue if our designs are duplicated by competitors.*

We develop designs in-house for most of the products we sell. We select the jewellery designs from amongst the designs made by our designing team, based on market trends and our requirements in each of our retail stores. Due to the competitive nature of the jewellery markets in which we operate, creative designs remain the key differentiators, which therefore possess short life span due to constantly changing customer needs. Consequently, jewellery designs change on a frequent basis and hence we do not register these designs under the Designs Act, 2000. If competitors copy our designs it could lead to loss of income, which could adversely affect our reputation and our results of operations. As such, it would be hard for us to enforce our intellectual property rights in relation to our designs and if competitors copy our designs it could lead to a loss of revenue, which could adversely affect the results of our operations. Further, designs developed by us may inadvertently infringe on the intellectual property rights of third parties, which may expose us to legal proceedings. Thus, we are susceptible to litigation for infringement of intellectual property rights in relation to such designs. This could materially and adversely affect our reputation, results of operations and financial condition.

29. ***We have significant working capital requirements. Our inability to obtain and/or maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet our working capital requirements or to pay our debts, could adversely affect our financial condition and results of operations***

Our business requires a substantial amount of working capital, primarily to finance our inventory. As of March 31, 2018, we had outstanding indebtedness of ₹ 2,844.68 million. Any fluctuations in interest rates may directly impact the interest costs of such loans and, in particular, any increase in interest rates could adversely affect our results of operations. Furthermore, our indebtedness means that a material portion of our expected cash flow may be required to be dedicated to the payment of interest on our indebtedness, thereby reducing the funds available to us for use in our general business operations. In addition, our existing level of indebtedness may also restrict our ability to obtain additional financing for capital expenditures, expansions or general corporate purposes and may cause us to be particularly vulnerable during any general economic downturn. There can be no assurance that we will be able to secure adequate financing in the future on commercially acceptable terms, or at all, including in the event our lenders call in loans repayable on demand. Our inability to obtain and/or maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet our working capital requirements or to pay our debts, could adversely affect our financial condition and results of operations.

30. ***Some of our Promoters have provided personal guarantees for loan facilities obtained by our Company, and any failure or default by our Company to repay such loans in accordance with the terms and conditions of the financing documents could trigger repayment obligations on them, which may impact their ability to effectively service their obligations as our Promoters and Directors and thereby, adversely impact our business and operations.***

Our Promoters, Govind Gadgil and Renu Gadgil, have personally guaranteed the repayment of certain loan facilities taken by us. As at March 31, 2018, outstanding amounts from credit facilities personally guaranteed by the Promoters amounted to ₹ 2,591.11 million.

Any default or failure by us to repay our loans in a timely manner, or at all could trigger repayment obligations on the part of the Promoters in respect of such loans, which in turn, could have an impact on their ability to effectively service their obligations as Promoters and Directors of our Company, thereby having an adverse effect on our business, results of operation and financial condition. Furthermore, in the event that these individuals withdraw or terminate their guarantees, our lenders for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows.

31. ***We have availed certain unsecured borrowings which may be recalled by our lenders at any time.***

We have availed certain unsecured borrowings, which may be recalled at any time, with or without the occurrence of an event of default. For further details, see Note 15 of our Restated Financial Information on page 162, and the section titled “*Financial Indebtedness*” on page 246. Any such recall may adversely affect our financial condition.

32. ***Our financing agreements entail interest at variable rates and any increases in interest rates may adversely affect our results of operations.***

We are susceptible to changes in interest rates and the risks arising therefrom. Most of our financing agreements provide for interest on loans at variable rates with a provision for the periodic resetting of interest rates. Further, under certain of our financing agreements, the lenders are entitled to change the applicable rate of interest, which is a combination of a base rate and a contractually agreed spread. Certain loans are also extended at interest rates that are subject to periodic change from time to time based on the lender’s internal policies. See the section titled “*Financial Indebtedness*” on page 246 for a description of interest payable under our financing agreements. 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.

33. ***Our insurance may be insufficient to cover all losses associated with our business operations which may have an adverse impact on our business, financial condition and results of operations.***

We have purchased several insurance policies in order to manage the risk of losses from potentially harmful events, including policies for fidelity guarantee, standard fire and special perils, money, plate glass, jewellers block. Our operations are subject to hazards inherent to our Company, such as risks relating to work accidents, fire, earthquake, burglary, and transit. This includes hazards that may cause injury and loss of life, damage and destruction of property and equipment. Our insurance policies currently cover all jewellery and cash in stores and transit, including with respect to burglary and fire and special perils. Notwithstanding the insurance coverage that we carry, we may not be fully insured against some business risks. There are many events that could significantly impact our operations, or expose us to third-party liabilities, for which we may not be adequately insured. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part, or on time. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business, financial condition and results of operations could be adversely affected.

34. ***We may not be able to protect our trademarks from infringement. Any unauthorised use of our trademarks could harm our reputation and/or commercial interests.***

Our trademark is registered with the trademark registry in the name of Abhay Gadgil. Pursuant to a deed of assignment dated March 10, 2018, our trademark, copyright subsisting in the trademark and domain name were assigned for to us, which were earlier inadvertently registered in the name of one of the erstwhile partner prior to conversion of the partnership into our Company. Our Company has filed necessary application on May 2, 2018 with the trademark registry to record the assignment of trademark. Although we take steps to monitor the possible infringement or misuse of our trademarks, it is possible that third parties may infringe, dilute or otherwise violate our trademark rights. Any unauthorised use of our trademarks could harm our reputation and/or commercial interests. In addition, our enforcement against third-party infringers or violators may be unduly expensive and time-consuming, and any remedy obtained may constitute insufficient redressal relative to the damages we may suffer.

35. ***Any failure or disruption of our information technology systems could adversely impact our business and operations.***

We rely on our IT systems to provide us with connectivity across our business functions and stores through our software, hardware and network systems. Our business processes are IT-enabled, and any failure in our IT systems or loss of connectivity or any loss of data arising from such failure could disrupt our ability to track, record and analyse inventory, process financial information, manage creditors/debtors or engage in normal business activities, which could have a material adverse effect on our operations. Although, we also have a disaster recovery system based in our Nashik store and we have not experienced any material failure in our IT systems, there can be no assurance that our IT systems will not suffer a material failure in the future.

We may also be subject to hacking and other breaches of our IT systems. Although we have firewall and anti-virus measures in place, we cannot assure you that we can successfully block and prevent all hacking or other breaches. As a result, failure to protect against technological disruptions of our operations could materially and adversely affect our business, financial condition and results of operations. We also maintain significant amounts of customer data that we collect in order to promote our brand and direct targeted advertisements to potential customers. Any breach of our IT systems or misuse by employees could result in the loss or disclosure of confidential information, damage to our reputation, litigation or other liabilities.

Furthermore, we barcode each item that is sold at our stores, which enables us to track, record and analyse sales of our products to customers across all of our stores. We utilize an enterprise resource planning, or ERP system to assist in managing our operations. Any failure of ERP may impact our inventory procurement which is done entirely based on systemic reports of the ERP system on account of the demand of products at various stores and locations. Any delay or disruption in our IT systems, including our ERP system, could have a material adverse effect on our business, financial condition and results of operations. Further, any failure, disruption or manipulation of our bar coding system could disrupt our ability to track, record and analyse sales of our products, which could have a material adverse effect on our business.

36. *We do not own the premises where our Registered and Corporate Office and most of our stores are located.*

At present we do not own the premises that we use as our Registered and Corporate Office. In the event the owner of the premises revokes the consent granted to our Company or fails to renew the tenancy, we may suffer disruption in our operations. Further, we do not own most of the premises where our stores are located. If the terms of the lease are violated by us or if we are unable to renew the leases prior to the expiry of the term thereof on terms and conditions favourable to us, we may suffer a disruption in our operations which may adversely affect our operations. For further details, please see section titled “*Our Business*” on page 119.

37. *Inability to procure retail space for our proposed stores satisfying operational and financial criteria and to successfully renegotiate the lease deeds may have an adverse impact on our results of operations*

We may be unable to renew our existing leases or secure new leases for our existing or new stores on commercially acceptable terms. As of March 31, 2018, we have 25 stores. We propose to establish 15 new retail stores at 15 locations in Maharashtra and/ or adjoining states by March 2020. For further details, please see section titled “*Objects to the Issue*” on page 80. The majority of our existing stores are located at leased properties. We typically enter into lease agreements for a period of two to five years for our stores. While we expect to renew these lease agreements periodically in the ordinary course of business, in the event that these existing leases are terminated or they are not renewed on commercially acceptable terms, we may suffer a disruption in our operations. If alternative premises are not available at the same or similar costs, sizes or locations, our business, financial condition and results of operations may be adversely affected. In addition, any adverse development relating to the landlords’ title or ownership rights to such properties may entail significant disruptions to our operations, especially if we are forced to vacate leased spaces following any such developments. If our sales do not increase in line with our rent and costs, including setup and interior design costs, our profitability and results of operations could be adversely affected.

Our growth strategy involves expanding our stores network, which necessitates the identification of suitable locations, taking into account the positioning and visibility of the space as well as the characteristics of nearby businesses and the demographics of the area. The premises for most of our proposed new stores locations are also expected to be taken on lease. The success of our business is significantly dependent on factors such as the availability of suitable sites for our stores in desirable areas on commercially acceptable terms and we encounter significant competition from other jewellery companies in this regard. There can be no assurance that we will be able to secure leases for our stores in suitable areas, in time, or on terms that are acceptable to us or at all. Failure to do so may adversely affect our business prospects, financial condition and results of operations.

38. *We are involved in one tax proceeding which, if determined against us may have an adverse impact on our reputation, business operations, financial condition, results of operations and cash flows.*

We are party to one tax proceeding, which if determined against us, may have an adverse impact on our reputation, business operations, financial condition, results of operations and cash flows.

Such proceeding could divert management time and attention and consume financial resources in their defence or prosecution. Should any new development arise, such as a change in the Indian law or rulings against us by courts, appellate courts or tribunals, we may need to make provisions in our financial statements, which may increase our expenses, current and contingent liabilities. We can give no assurance that the legal proceeding will be decided in our favour. For further details, see “*Outstanding Litigation and Material Developments*” on page 274.

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

We have in the past entered into transactions with related parties such as Promoters, Promoter Group and Group Company. While we believe that all such transactions have been conducted on an arm’s length basis and in the ordinary course of our business, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future, subject to the approval of our Board and in case such transaction is deemed to material then will be subject to shareholders’ approval. There can be no

assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. For further details, please see the chapter entitled “*Related Party Transactions*” on page 161.

40. *Certain sections of this Draft Red Herring Prospectus disclose information from an industry report commissioned by our Company and any reliance on such information for making an investment decision in the Issue is subject to inherent risks.*

Pursuant to being engaged by our Company, CRISIL prepared a report dated April 2018 the CRISIL Report. Certain sections of this Draft Red Herring Prospectus include information based on, or derived from, the CRISIL Report or extracts of the CRISIL Report. Neither our Company (including our Directors) nor the BRLMs possess the professional skills to evaluate the accuracy, adequacy, completeness and objectivity of, or verify the information covered in the CRISIL Report and cannot provide any assurance regarding the information in this Draft Red Herring Prospectus derived from, or based on, the CRISIL Report. All such information in this Draft Red Herring Prospectus indicates the CRISIL Report as its source. Accordingly, any information in this Draft Red Herring Prospectus derived from, or based on, the CRISIL Report should be read taking into consideration the foregoing.

Further, CRISIL has disclaimed its liability to any party (other than our Company) in relation to the CRISIL Report. Further, CRISIL does not guarantee the accuracy, adequacy or completeness of the information in the CRISIL Report and has disclaimed its responsibility and liability for any errors or omissions in, or results obtained from the use of, the CRISIL Report. For CRISIL’s complete disclaimer in relation to the CRISIL Report, please see “*Presentation of Financial, Industry and Market Data*” on page 13.

In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Issue pursuant to reliance on the information in this Draft Red Herring Prospectus based on, or derived from, the CRISIL Report. You should consult your own advisors and undertake an independent assessment of information in this Draft Red Herring Prospectus based on, or derived from, the CRISIL Report before making any investment decision regarding the Issue.

41. *Any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in the Draft Red Herring Prospectus would be subject to certain compliance requirements, including prior shareholders’ approval.*

We propose to utilise the Net Proceeds to finance establishment of proposed new stores, repayment / prepayment of certain indebtedness and general corporate purposes. For further details of the proposed objects of the Issue, please see “*Objects of the Issue*” on page 80. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of the competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in the Draft Red Herring Prospectus without obtaining the shareholders’ approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the shareholders’ approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders’ approval may adversely affect our business or operations.

Further, our Promoters 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 or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoters or controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoters or controlling shareholders from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI.

In light of these factors, we may not be able to undertake variation of objects of the Issue to use any unutilised proceeds of the Issue, if any, or vary the terms of any contract referred to in the Draft Red Herring Prospectus, even if such variation is in the interest of our Company. This may restrict our Company’s ability to respond to any change in our business or financial condition by re-deploying the unutilised portion

of the Net Proceeds, if any, or varying the terms of any contract, which may adversely affect our business and results of operations.

- 42. *Our Company has during the preceding one year from the date of the Draft Red Herring Prospectus have allotted Equity Shares at a price which is lower than the Issue Price.***

In the last 12 months, we have made allotment of Equity Shares to our Promoters, Directors, KMPs and third parties, at a price which may be lower than the Issue Price. For details relating to number of shares issued, date of allotment etc. please refer to section titled “*Capital Structure*” on page 67 of this Draft Red Herring Prospectus.

- 43. *Any future issuance of Equity Shares or convertible securities, including options under any stock option plan or other equity linked securities may dilute your shareholding, and significant sales of Equity Shares by our major shareholders, may adversely affect the trading price of our Equity Shares.***

Any future issuances of Equity Shares by our Company after this Issue will dilute investors’ holdings in our Company. Further, any significant sale of Equity Shares by our major shareholders after this Issue may adversely affect the trading price of our Equity Shares. In addition, the perception that such issuance or significant sales of Equity Shares may occur may adversely affect the trading price of our Equity Shares and impair our future ability to raise capital through offerings of Equity Shares.

- 44. *Our ability to access capital depends on our credit ratings. Any downgrade of our credit ratings may restrict our access to capital and thereby adversely affect our business and results of operations.***

The cost and availability of capital is, amongst other factors, dependent on our credit ratings. We are currently rated Care A stable/A1 by CARE and ICRA A stable/A1 by ICRA. Ratings reflect the rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Any downgrade of our credit ratings would increase borrowing costs and constrain our access to capital and lending markets and, as a result, could adversely affect our business and results of operations. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any new or additional financing arrangements that we enter into.

- 45. *Past sales in our stores may not be comparable to and indicative of future sales from our stores and there can be no assurance that the opening of proposed new stores will result in increased profitability.***

Various factors affect the sales in our stores including the gold rates, customer preferences, location of a store and competition. These factors will have an influence on existing and future stores and thus past sales figures may not be indicative of future sales figures. Upon the opening of a new store, there may be an initial period of market adjustment while the store forms a customer base and engages in initial advertising and marketing campaigns. During this period, the sales revenue may not exceed the overall expenses of the store. This could lead to a decrease in the overall profitability of our Company. In addition, even after this initial period, there can be no assurance that a new store will necessarily contribute to the overall profitability of our Company.

- 46. *We have been recently converted into public limited company and any non-compliance with the provisions of Companies Act, 2013 may attract penalties against our Company which could impact our financial and operational performance and reputation.***

Our Company has been incorporated pursuant to the conversion of the Estwhile Partnership Firm under Part I Chapter XXI of the Companies Act, 2013 on November 6, 2017. Prior to conversion, the provisions of the Companies Act were not applicable to us. However, consequent to the aforesaid conversion, our Company is subject to compliance of various provisions of the Companies Act such as repayment of amounts falling under the definition of deposits under Section 73 of the Companies Act, 2013, prior approval for entering into related party transactions, filing of relevant RoC forms etc. Though our Company will take all possible endeavour to comply with the provisions of the Companies Act but in case of our inability to do so or in case of any delay, we may be subject to penal action from the appropriate authorities which may have an adverse effect on our financial and operational performance and reputation.

Risks Related to India

47. Changing regulations and tax regimes in India could lead to new compliance requirements that are uncertain.

The regulatory environment in which we operate is evolving and is subject to change. The Government of India may implement new laws or other regulations that could affect the jewellery industry, which could lead to new compliance requirements. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition and results of operations. Further, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations.

For example, as of July 1, 2017, a national goods and service tax (“GST”) in India replaced taxes levied by central and state governments with a unified tax regime in respect of the supply of goods and services for all of India, which is expected to result in changes to India’s jewellery industry. Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from the introduction of GST or any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations relating to GST, as it is implemented. Currently, the GST rate is 3%, but it could be subject to change going forward. Any such changes to the GST rate or rules and regulations surrounding GST and the related uncertainties with respect to the implementation of GST may have a material adverse effect on our business, financial condition and results of operations. Further, as GST is implemented, there can be no assurance that we will not be required to comply with additional procedures or obtain additional approvals and licenses from the government and other regulatory bodies or that they will not impose onerous requirements and conditions on our operations. As the taxation system in India will see significant changes as a result of GST, its consequent effects cannot be determined at present and there can be no assurance that such effects would not adversely affect our business, future financial performance and the trading price of the Equity Shares.

On March 28, 2018, the MCA notified Ind AS 115, Revenue from Contracts with Customers, to be applicable from April 1, 2018. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Recent Accounting Pronouncements*”

In addition, on November 8, 2016, the Reserve Bank of India and the Ministry of Finance of the Government of India withdrew the legal tender status of ₹ 500 and ₹ 1,000 currency notes. Despite ₹ 500 and ₹ 2,000 notes being introduced since such demonetisation on November 8, 2016, the effect of these developments among other things lead to a decrease in liquidity of cash in India during the demonetisation restricted cash withdrawal period, which has in turn negatively affected consumer spending.

48. Political, social and economic changes that could affect the economic conditions in India.

Our Company is incorporated in India and derives its revenue from operations in India and its assets are located in India. Consequently, our performance and the market price of the Equity Shares may be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- The macroeconomic climate, including any increase in Indian interest rates or inflation;
- Any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- Any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- Prevailing income conditions among Indian customers and Indian corporations;
- Epidemic or any other public health in India or in countries in the region or globally, including in India’s various neighbouring countries;

- Volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- Changes in India's tax, trade, fiscal or monetary policies;
- Political instability, riots, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- Occurrence of natural or man-made disasters;
- Prevailing regional or global economic conditions, including in India's principal export markets;
- other significant regulatory or economic developments in or affecting India or its consumption sector;
- International business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;
- Protectionist and other adverse public policies, including local content requirements, import/export tariffs, increased regulations or capital investment requirements;
- Logistical and communications challenges;
- Downgrading of India's sovereign debt rating by rating agencies;
- Being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so;
- Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares; and
- Financial instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, Russia and elsewhere in the world in the past has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Such volatility and financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

49. *If inflation rises in India, increased costs may result in a decline in profits.*

Inflation rates in India have been volatile in recent years, and such volatility may continue. Increasing inflation in India could cause a rise in the costs of rent, wages, raw materials and other expenses. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

50. *Natural disasters, fires, epidemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.*

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability in India which may in turn materially and adversely affect our business, financial condition and results of operations.

Our operations may be adversely affected by fires, natural disasters and/or severe weather, which may require us to evacuate personnel, result in damage to our locations or inventory, suspend operations or generally reduce our productivity.

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

51. *Jewellery purchases are discretionary and often perceived as luxury purchases. Any factor negatively impacting discretionary spending by consumers may adversely affect our business, results of operations, financial condition and prospects.*

Jewellery purchases are typically high-value, luxury purchases and depend on consumers' discretionary spending power. Various factors affect discretionary consumer spending, including economic conditions, fluctuations in metal prices, perceptions of such conditions by consumers, economic outlook, employment, the level of consumers' disposable income, the savings ratio, business conditions, inflation levels, interest rates, consumer debt and asset values, availability of credit and levels of taxation, among others.

Most of our customers are individuals who purchase jewellery for personal use and who are generally less financially resilient than corporate entities. Additionally, gold and diamond jewellery are not perceived to be a necessity which may result in a significant fall in demand in the case of adverse economic conditions as opposed to demand for those goods that are perceived as a necessity. Any such fall in demand or a decline in the general economic conditions in India or conditions which may bring discretionary spending by consumers under pressure could adversely affect our business, financial condition and results of operations.

52. *Our business and activities may be regulated by the Competition Act, 2002 and proceedings may be enforced against our Company.*

The Competition Act, 2002 (the “**Competition Act**”) seeks to prevent business practices that have a material adverse effect on competition in India. Under the Competition Act, any arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause a material adverse effect on competition in India is void and attracts substantial monetary penalties. Any agreement that directly or indirectly determines purchase or sale prices, limits or controls production, shares the market by way of geographical area, or number of customers in the market is presumed to have a material adverse effect on competition in the relevant market in India and shall be void.

The Competition Act aims to, among other things, prohibit all agreements and transactions, which may have an appreciable adverse effect in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. However, the effect of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, financial condition, results of operations and prospects.

53. *Our Company's ability to raise foreign capital may be constrained by Indian law.*

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our Company's financing sources for ongoing capital expenditures or acquisitions and other strategic transactions, and hence could constrain its ability to obtain financing on competitive terms and refinance existing indebtedness, equity and linked products. In addition, we cannot assure investors that the required approvals will be granted to us without onerous conditions, or at all.

Limitations on foreign debt may have a material adverse effect on our Company's business, result of operations and financial condition.

Risks Related to Equity Shares

54. *We cannot assure payment of dividends on the Equity Shares in the future.*

While our dividend policy is as set out in the chapter entitled "Dividend Policy" on page 160 of this Draft Red Herring Prospectus, the amount of future dividend payments by our Company, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. Our Company may decide to retain all of its earnings to finance the development and expansion of its business and therefore, we may not declare dividends on the Equity Shares. Additionally, we may, in the future, be restricted by the terms of our loan agreements to make any dividend payments unless otherwise agreed with our lenders.

55. *An active trading market for the Equity Shares may not develop and the price of the Equity Shares may be volatile.*

Prior to the Issue, there has been no public market for the Equity Shares. An active public trading market for the Equity Shares may not develop or, if it develops, may not be maintained after the Issue. Our Company, in consultation with the BRLMs, will determine the Issue Price. The Issue Price may be higher than the trading price of our Equity Shares following the Issue. As a result, investors may not be able to sell their Equity Shares at or above the Issue Price or at the time that they would like to sell. The trading price of the Equity Shares after the Issue may be subject to significant fluctuations and be influenced by many factors, including:

- Our financial results and the financial performance of other jewellery companies in India;
- the history of, and the prospects for, our business and the sector and industry in which we compete;
- an assessment of our management, our past and present operations, and the prospects for, and timing of, our future revenues and cost structures;
- the present state of our development;
- the valuation of publicly traded companies that are engaged in business activity similar to ours,
- economic conditions in India;
- the volatility of the stock market in India and securities markets elsewhere in the world;
- the performance of our competitors and the perception in the market about investments in the retail industry;
- adverse media reports on us or the jewellery sector;
- changes in the estimates of our performance or recommendations by financial analysts;
- significant developments in India's economic liberalization and deregulation policies; and
- significant developments in India's fiscal and environmental regulations.

There can be no assurances that the prices at which the Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequently. In addition, the Indian stock market has from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our operating performance or prospects.

56. *Investors can be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares. Recently, the Finance Act, 2018 levied taxes on such long term capital gains exceeding ₹ 100,000 arising from sale of Equity Shares on or after April 1, 2018, while continuing to exempt the unrealized capital gains earned up to January 31, 2018 on such Equity Shares.*

Under current Indian tax laws, capital gains arising from the sale of Equity Shares in an Indian company are generally taxable in India. However, any gain realized on the sale of listed equity shares on or before March 31, 2018 on a stock exchange held for more than 12 months will not be subject to long term capital gains tax in India if Securities Transaction Tax (“STT”) is paid on the sale transaction and additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares on or after October 1, 2004, except in the case of such acquisitions of equity shares which are not subject to STT, as notified by the Central Government under notification no. 43/2017/F. No. 370142/09/2017-TPL on June 5, 2017. However, the Finance Act, 2018, has now levied taxes on such long term capital gains exceeding ₹ 100,000 arising from sale of Equity Shares on or after April 1, 2018, while continuing to exempt the unrealized capital gains earned up to January 31, 2018 on such Equity Shares. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

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

The initial public Issue price will be determined by the book building process and may not be indicative of prices that will prevail in the open market following the Issue. The market price of the Equity Shares may be influenced by many factors, some of which are beyond our control, including:

- the failure of security analysts to cover the Equity Shares after this Issue, or changes in the estimates of our performance by analysts;
- the activities of competitors and suppliers;
- future sales of the Equity Shares by our Company or our Shareholders;
- investor perception of us and the industry in which we operate;
- our quarterly or annual earnings or those of our competitors;
- developments affecting fiscal, industrial or environmental regulations;
- the public’s reaction to our press releases and adverse media reports; and
- general economic conditions.

As a result of these factors, investors may not be able to resell their Equity Shares at or above the initial public offering price. In addition, the stock market often experiences price and volume fluctuations that are unrelated or disproportionate to the operating performance of a particular company. These broad market fluctuations and industry factors may materially reduce the market price of the Equity Shares, regardless of our Company’s performance. There can be no assurance that the investor will be able to resell their Equity Shares at or above the Issue Price.

58. *Investors may have difficulty enforcing foreign judgments against our Company or our management.*

Our Company is a limited liability company incorporated under the laws of India. Our directors and executive officers are residents of India. Our Company's assets and the assets of our Directors and executive officers resident in India are located in India. As a result, it may be difficult for investors to effect service of process upon us or to enforce judgments obtained against our Company.

Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908 ("CPC") on a statutory basis. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the CPC provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside of India which the GoI has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties. The United Kingdom, Singapore and Hong Kong have been declared by the Government of India to be reciprocating countries for the purposes of Section 44A of the CPC.

Further, there may be considerable delays in the disposal of suits by Indian courts. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian practice. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the FEMA to execute such a judgment or to repatriate any amount recovered.

59. *QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.*

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/Issue Period and withdraw their Bids until Bid/Issue Closing Date. While our Company is required to complete Allotment pursuant to the Issue within six Working Days from the Bid/Issue Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing.

Prominent Notes:

- Initial public offering of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ per Equity Share) aggregating up to ₹ 5,000 million. The Issue would constitute [●]% of our post-Issue paid up Equity Share capital. The Issue includes a reservation of up to [●] Equity Shares

aggregating to ₹ [●] million for subscription by Eligible Employees. The Net Issue shall constitute [●]% of the Post-issue paid up equity share capital of our Company.

- As at March 31, 2018, our Company's net worth was ₹ 1,229.05 million as per our Company's Restated Financial Information.
- As on the date of the DRHP, the average cost of acquisition of Equity Shares, by our Promoters is:

Name of Promoter	Number of Equity Shares Held	Average cost of acquisition (in ₹)*
Govind Gadgil	18,518,520	26.40
Renu Gadgil	14,814,815	26.40

* As certified by Shah & Taparia, Chartered Accounts, pursuant to certification dated May 4, 2018

- As at March 31, 2018, the net asset value per Equity Share was ₹36.39 as per our Company's Restated Financial Information.
- Except as disclosed in the sections, "Our Promoters and Promoter Group", "Our Group Company" and "Related Party Transactions" on pages 154, 157 and 161 of this Draft Red Herring Prospectus, respectively, our Group Company does not have any business or other interests in our Company.
- There has been no financing arrangement whereby the members of our Promoter Group, our Directors, or any of their respective relatives have financed the purchase by any other person of securities of our Company other than in the ordinary course of their business during the six months preceding the date of this Draft Red Herring Prospectus.
- Our Company was converted from the Erstwhile Partnership Firm to public company on November 6, 2017 and consequently, the name was changed to P. N. Gadgil & Sons Limited. For details of changes in the name and Registered and Corporate Office of the Company, see "History and Certain Corporate Matters" on page 133
- For details of related party transactions entered into by our Company with our Group Company, the nature of transactions and the cumulative value of transactions, see "Related Party Transactions" on page 161 of this Draft Red Herring Prospectus.

Bidders may contact any of the BRLMs who have submitted the due diligence certificate to SEBI for any complaints pertaining to the Issue. For further details of the BRLMs, including contact details, see "General Information" on page 59 of this Draft Red Herring Prospectus.

SECTION III: INTRODUCTION SUMMARY OF INDUSTRY

We have commissioned CRISIL Research in respect of a research report titled “Assessment of the gems and jewellery industry in India” issued in April 2018 (the “CRISIL Report”). The CRISIL Report uses certain methodologies for market sizing and forecasting. Neither we, nor any of the Book Running Lead Managers, have independently verified such data and therefore, while we believe them to be true, we cannot assure you that they are complete or reliable. Accordingly, investors should read the industry related disclosure in this Draft Red Herring Prospectus in this context. Industry source and publication are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry source and publication may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry source took due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. Accordingly, investors should not place undue reliance on, or base their investment decision solely on this information.

Industry and market data used in this section has been extracted from the CRISIL Report. For further details and risks in relation to commissioned reports, see “Risk Factors— Certain sections of this Draft Red Herring Prospectus disclose information from an industry report commissioned by our Company and any reliance on such information for making an investment decision in the Issue is subject to inherent risks” beginning on page 40, and “Presentation of Financial, Industry and Market Data” beginning on page 13.

Brief overview on the macro-economic scenario in India

Review and outlook of GDP growth in India

GDP grew at 6.9% CAGR over past 5 years

India adopted a new base year (FY12) for calculating the gross domestic product (GDP) based on which the GDP in nominal terms shot up from Rs 87 trillion in FY12 to Rs 122 trillion in FY17, representing a compounded annual growth rate (CAGR) of 6.9%. As per the Central Statistics Office (CSO), GDP growth for India clocked 7.1% in FY17, well above the world average of 3.1%, but down from 8% in FY16. One of the major reasons for this was demonetization.

For the complete year, real GDP growth is estimated to slow down to 6.6% in fiscal 2018 from 7.1% in fiscal 2017. While consumption would continue to spearhead growth, investment is expected move up slowly. Private consumption is estimated to grow at 6.1%, over a high base of 7.3% and remain the largest contributor to GDP (56% share).

GDP growth for fiscal 2019 forecasted at 7.5%

CRISIL Research expects real GDP growth would rebound to 7.5% in fiscal 2019 from 6.6% this fiscal as the transitory disruption from GST implementation would wane and a low base would help. Growth would continue to be driven by consumption – with interest rates expected to remain soft, inflation under control, and implementation of 7th Pay Commission hikes at the state level.

Budget 2018-19 focused on raising rural demand

Given its ambitious target of doubling farmers’ income by 2022, the government increased its budgetary allocation for agriculture and allied activities from the revised estimate of Rs 566 billion in fiscal 2018 to Rs 638 billion in fiscal 2019. The allocation increased 12.8% on-year in fiscal 2019 similar to that in fiscal 2018. The government also announced measures such as an assured minimum support price, export liberalisation of agri-products expected to revive farm realisations, and increased expenditure on rural infrastructure in order to improve rural incomes. Focus on rural housing and roads is expected to help build assets, create jobs and consequently improve income levels, thereby having a cascading impact on gold demand.

Review of population growth and urbanisation

Urbanisation likely to cross 35% by 2020

As per the Census 2011, India's total population was about 1.2 billion and comprised nearly 246 million households. Population grew by a CAGR of 1.8% during 2001-2011.

The share of urban population in relation to the total population has been consistently rising over the years and stood at about 31% in CY2011. A United Nations report, World Urbanization Prospects: The 2011 Revision, expects nearly 36% of the country's population to live in urban areas by CY2020.

Urbanisation trends in Maharashtra, Gujarat, Karnataka

The share of urban population in relation to the total population have also shown a consistent increase in the states of Maharashtra, Gujarat, Karnataka and Madhya Pradesh at a CAGR of 2.9%, 3%, 2.8% and 3.4% respectively. The urban population in Maharashtra has grown to 45% in 2011 from 29% in 1951. Similarly, the ratio of urban population in Gujarat and Karnataka have grown to 43% and 39% from 27% and 23% respectively in 1951.

Trends (past 5 years) in savings as a % of GDP and discretionary spends

Savings-to-GDP

The economic scenario presented by the new series, with 2011-12 as the base year, reveals a fall in India's gross savings as a percentage of GDP, to 30% in fiscal 2017 from 34.6% in fiscal 2012, thus indicating that people are spending more. Gross savings during 2016-17 is estimated as Rs. 45,726 Bn as against Rs. 43,019 Bn during 2015-16.

Household sector is the highest contributor to gross savings

The highest contributor to gross savings is the household sector, with a share of 54.2 per cent in the year 2016-17. However, this share has declined from 56.9 per cent in 2015-16. This decline can be attributed to decline in household's gross financial savings, which has declined from Rs. 15,207 Bn in 2015-16 to Rs. 14,048 Bn in 2016-17.

Review of private final consumption growth in India

Final consumption expenditure in India grew to Rs 90 trillion in fiscal 2017 from Rs 49 trillion in fiscal 2012, registering a CAGR of ~10%.

Review of per capita income growth in India

India's per capita income grew at a healthy rate in the three years to fiscal 2017. Per capita net national income (NNI), at current prices, rose 9.6% to Rs 103,870 in fiscal 2017 from Rs 94,731 in fiscal 2016.

The buoyant trend of India's per capita income growth is expected to continue at a healthy rate. Rising disposable income will be driven by factors such as the implementation of the 'One Rank One Scheme' and sustained low inflation, thus enabling higher domestic consumption. A higher disposable income would aid increase in gold demand, thus acting as an important factor driving demand in the Indian gems and jewellery industry.

Overview of the gems and jewellery industry in India

Current market sizing of the gems and jewellery industry in India

India retains its position as the 2nd largest consumer of gold jewellery during 2017

During 2017, China consumed 646.9 tonnes of gold jewellery, thereby occupying the pole position in global gold consumption, followed by India in the second place at 562.7 tonnes. Overall global gold consumption in 2017 grew by 4% on-year, primarily driven by India, USA and China. Indian jewellery demand improved by 12% on-year, owing to factors such as lower rupee gold prices, festive demand (Dhanteras followed by wedding season), government's decision to remove anti-money laundering regulation from jewellery and an improved rural sentiment.

Domestic Demand Trend

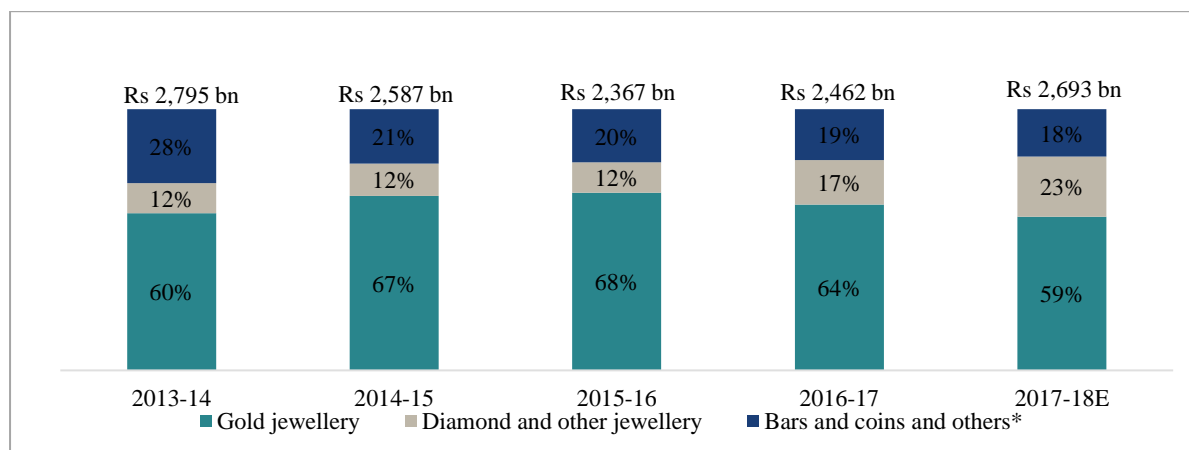
While diamonds are largely processed and exported, domestic demand is driven by gold (jewellery, bars & coins) as India remains among the top global consumers of gold. In India, gold jewellery is most preferred as it is

considered auspicious to purchase gold on occasions like festivals, marriage, birth etc. Gold is also perceived as a relatively safer investment option.

Domestic gems and jewellery market is estimated at Rs 2,693 billion as of 2017-18

The domestic gems and jewellery market is estimated at Rs 2,693 billion in 2017-18. Gold and studded jewellery account for approximately 81% share, whereas bars and coins make up the rest at ~19%. Domestic jewellery has historically been dominated by gold. The share of gold jewellery has witnessed an increasing trend during the past 5 years, with an estimated share of 59% as of FY2018.

Trend in domestic gems and jewellery market size



Note: figures on top of the bars indicate size of the domestic market.

E: Estimated; *others includes ETF net additions

Source: Industry, CRISIL Research

During the third quarter of 2016-17, demonetisation in the month of November further impacted this highly unorganised sector, wherein ~80% of the transactions are cash-based. However, despite demonetisation, the fall in gold demand - by 3% on-year to 233.3 tonnes in the quarter - was not dramatic, owing to festive season of Dusshera and Diwali (in October), coupled with steep fall in gold prices.

Overall, we expect gold demand to recover in 2017-18. Consumption demand, the largest component in overall gold demand (~76% in 2017-18), will post an on-year rise of 3-5% (from a low base), primarily owing to rising sales volume. Volumes are expected to grow 6-8% during the year.

Fall in gold prices (domestic gold prices expected to range between Rs.28,800 to 29,200/10 gms, in tandem with international prices) and favourable monsoon should improve demand in 2017-18. Further fall in inflation (to 3.5% from 4.6%) are also likely to boost jewellery demand.

Fragile rural sentiment in 2016-17 following weak monsoons in 2014 and 2015, rising gold prices for most part of the year, and series of regulatory developments (1% excise duty, mandatory disclosure of PAN card details, and demonetisation) pushed down the bar and coin demand. Demand for the same declined by 10% to 164 tonnes on-year.

In 2017-18, we expect demand to improve by 2-3% to ~169 tonnes, owing to fall in gold prices that would dissuade consumers from investing in gold exchange traded funds.

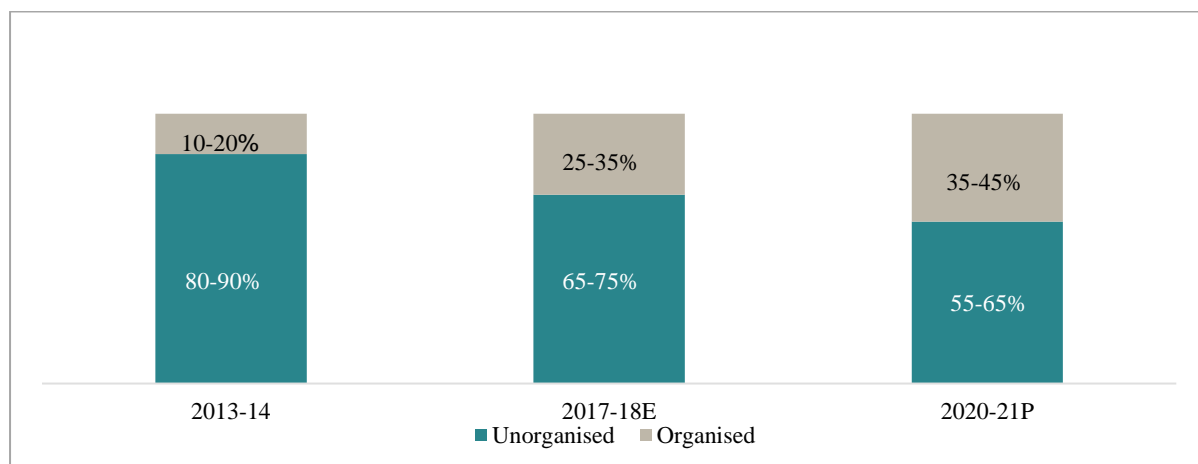
India's domestic gems and jewellery market currently dominated by unorganised players

India's domestic gems and jewellery market remains highly fragmented, with unorganised players currently occupying ~65-75% share. While unorganized jewellery stores currently dominate the landscape, the share of organised jewellery retailing is expected to grow rapidly in the medium to long term, supported by growing urbanization, increasing awareness of branded jewellery and change in preferences among consumers. Key government regulations such as introduction of GST, requirement of PAN card for high-value purchases and

promotion of digital modes of payment as opposed to cash transactions are also expected to favor the growth of organised players in the industry.

The Indian jewellery industry is expected to continue to witness a shift in demand in favour of organised jewellery companies gaining market share from the unorganised market.

Evolution of organised retailing in domestic gems and jewellery industry in India



Note: E: estimated; P: Projected

Source: Industry, CRISIL Research

National and regional jewellery retailers enjoy an edge over their smaller standalone counterparts

Industry interactions indicate that in today's scenario, national and regional jewellery retailers enjoy an edge over their smaller standalone counterparts, mainly on account of the following:

- Increased presence across cities and locations
- Focus on quality
- Launch of new collections and brands
- Investments in brand building

Key demand drivers for jewellery in India

Rising incomes:

Jewellery demand in India is largely driven by a rise in disposable incomes. Industry estimates and studies indicate that all else being equal, gold demand enjoys a positive co-relation with rise in income levels, namely a 1% increase in per capita income corresponds to a 1% increase in gold demand. This holds true, especially for the rural population of the country.

Favourable demographics:

More than half of India's population belonged to the age group of 15-64 years, as of 2014. Bulk of gold demand comes from this category. Industry estimates and studies have indicated that urban consumers have more options such as luxury clothing, accessories and electronics such as smartphones as competing products while purchasing gold as compared to their rural counterparts.

Rise in number of working women:

As per Census 2011, the number of women participating in workforce has increased ~18% from 127 million in 2001 to 150 million in 2011 at a CAGR of 1.6% during the decade.

Women have traditionally been major demand drivers for gold and jewellery. While earlier, the trend was skewed towards bridal jewellery, the past few years have seen several brands launching light weight daily wear and fashion jewellery to address the needs of working women, especially in urban areas.

Traditional demand and changing preferences:

India is the second largest consumer of gold in the world, Jewellery (worn at various occasions) constitutes about two-thirds of total gold demand in India. While the penchant for gold will remain unchanged in the long run, there is also a rise in awareness among consumers about diamonds, pearls and other types of jewellery.

Savings and investment vehicle:

Gold and gold jewellery also form an important investment avenue in India as it is perceived as a liquid asset and also provides a hedge against inflation.

Break-up of jewellery demand across regions and type of jewellery**Regional trends in jewellery demand**

Particulars	South	West	North	East
Indicative market share (%)	38-43%	23-28%	18-23%	13-18%
Carat preference	22k	22k, 18k, 14k	23k, 22k, 18k, 14k	22k
Important centres	Chennai, Hyderabad, Cochin, Bengaluru	Mumbai, Ahmedabad	New Delhi, Jaipur	Kolkata

Source: Industry, CRISIL Research

Category-wise trends in jewellery demand

Particulars	Bridal	Daily wear	Fashion
Indicative market share by weight (%)	50-55%	35-40%	5-10%
Carat preference	23k, 22k, 18k	22k, 18k	18k, 14k
Average size (in gms)	30-250 gms	5-30 gms	5-20 gms

Source: Industry, CRISIL Research

Jewellery manufacturing in India is largely unorganized; design variations present across regions

According to industry estimates, jewellery manufacturing in India is largely unorganized with barely 5-10% of the units operating as large-scale organised units. Majority of the jewellery manufactured takes place across small workshops and is reflected in the fact that handmade jewellery accounts for nearly 60-65% in total jewellery manufactured in India. A key reason for the unorganized nature of jewellery manufacturing is the relatively low working capital requirement. Majority of the manufacturing is carried out in the form of 'job works' for others.

As jewellery tastes and preferences differ across the country, so do manufacturing skills and expertise. Thus, several regions in the country have specialized in producing specific types of jewellery.

Recent trends in retailing of gems and jewellery industry in India***Availability of BIS Hallmark/accredited jewellery***

Increasingly, jewellery brands have started opting for BIS Hallmark certification which provides assurance on the quality (caratage) of the product. The presence of BIS Hallmark certification also allows for ease in the eventual sale of the products, and can become a critical deciding factor for buyers.

Buyback schemes

Several players also offer to buy back their jewellery, subject to certain terms and conditions with regards to time period and valuation.

Monthly investment plans

Apart from buyback schemes, monthly investment plans have also gained popularity as a key offering among jewellery retailers. Under the scheme, customers pay equated monthly installments which are then converted into a purchase at the end of the payment cycle.

Availability of customization

A key differentiating factor used by some players is the availability of customization option. Depending upon the level of customization offered, customers can either alter specific aspects of the product design such as length, width etc. or can choose to have an entirely custom-made product as per their preferences.

Adoption of online platform

Players are also increasingly adopting the online format as an alternative sales channel, especially in metropolitan cities. Apart from physical brick and mortar stores, players have created their online presence via own website or tie-up with a market place website.

Qualitative comment on gems and jewellery industry in top 10 cities of India

While industry estimates indicate that there are more than 400,000 jewellery stores in India, as per the Bureau of Indian Standards (BIS), there are 20,441 BIS Hallmark registered stores selling gold jewellery in India as of 2016.

Even today, standalone jewellery stores continue to dominate the jewellery retailing landscape as is evident in the top 10 cities of India. The standalone format occupies more than 90% share in majority of the top 10 cities, except for the southern cities of Bengaluru, Chennai and Hyderabad. Among the cities in the western region, Pune enjoys a marginally higher share of national and regional chain stores at 10% as compared to Mumbai, Ahmedabad, Surat and Jaipur.

Increasing urbanization levels coupled with rising incomes and brand awareness present a good potential for both the national chain and regional chain stores for further expansion in these cities, by leveraging on their brand vintage.

Maharashtra among the leading states with respect to key economic indicators

The state of Maharashtra is the second most populated state (112.4 Mn) in India accounting for ~9% of the country's population as per census 2011. Maharashtra is also one of the leading states in the country with respect to key economic indicators such as GDP and per capita income.

Maharashtra retains its key position in the gems and jewellery industry in India

The state has cemented its position as a key player in the gems and jewellery industry in India, thanks to the presence of the Santacruz Electronic Export Processing Zone (SEEPZ) and Bharat Diamond Bourse (BDB).

The state's future prospects with regards to gems and jewellery industry are also positive as indicated in a recent press release dated 19th February 2018, where the Gem Jewellery Export Promotion Council (GJEPC) signed a Memorandum of Association (MoU) with Maharashtra Industrial Development Corporation (MIDC) to establish India's largest jewellery park in Navi Mumbai.

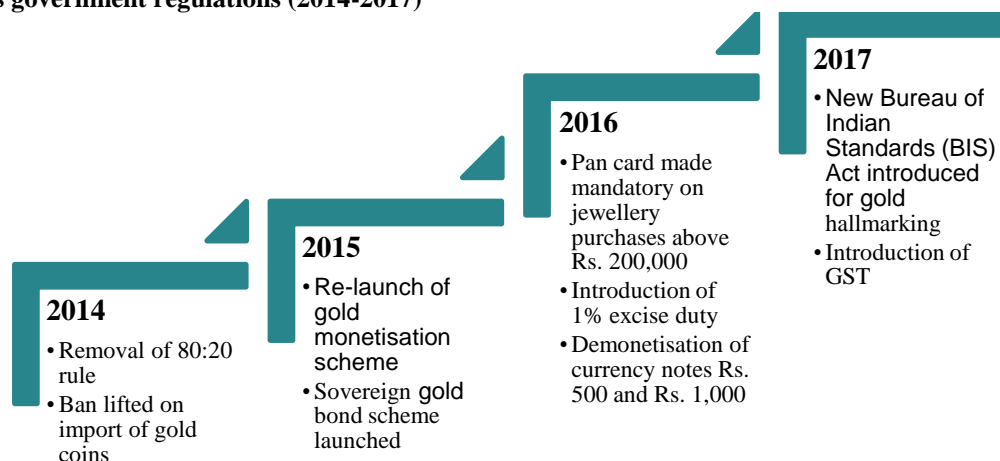
Apart from Mumbai and Pune (which have a chain jewellery store count of ~40-45 stores each), the top 25 cities of Maharashtra (based on population as per census 2011) have a relatively lower penetration of national and regional chain jewellery stores. In case of cities like Aurangabad, Kalyan-Dombivli, Nashik, Nagpur, Navi Mumbai, Pimpri-Chinchwad and Thane city, the presence of chain jewellery stores is in the range of 5-10 stores per city, while the count is even lower (less than 5 stores per city) for the balance cities.

Key regulations impacting the gems and jewellery industry in India

Trend in key government initiatives

Government regulations in the gems and jewellery industry have played a crucial role governing prices, demand and exports in the sector. Following are the various government initiatives introduced in India from 2014 to 2017.

Various government regulations (2014-2017)



Source: Industry, CRISIL Research

Impact of other government initiatives for the gems and jewellery sector are as follows:

Import duty and FDI norms

Import duty to remain unchanged in 2017-18

Import duty on gold is estimated to be kept at 10% (as of August 2013) levels in the short term, to check imports and thereby CAD.

100% FDI permitted under the automatic route

The Government of India has permitted 100 per cent FDI under the automatic route in this sector.

Budget provisions

Levy of excise duty on gold jewellery and mandatory disclosure of PAN card details in Budget 2016-17

All jewellers with turnover of more than Rs. 150 million are required to pay excise duty of 1% primarily aimed at curbing under-invoicing and unaccounted transactions by small and medium jewellers. This is expected to impact volume of players indulging in unscrupulous business practices and curtail flow of black money into unaccounted gold, which in turn is likely to adversely impact profitability of these jewellers.

From 2016 PAN card was made mandatory for purchase of bullion or jewelry worth Rs 2 Lakh per transaction.

Comprehensive Gold Policy on the anvil to develop yellow metal as an asset class

In the general budget 2018-19, the Finance Minister Shri Arun Jaitley announced that the government will formulate a comprehensive Gold Policy to develop gold as an asset class. He further stated that the government will also establish a system of consumer friendly and trade efficient system of regulated gold exchanges in the country. He added that the Gold Monetization Scheme will be revamped to enable people to open a hassle-free Gold Deposit Account.

SUMMARY OF OUR BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” on page 16 for a discussion of the risks and uncertainties related to those statements and the section “Risk Factors” on page 17 for a discussion of certain risks that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Overview

We are one of the leading and trusted retail jewellery companies in Maharashtra. The legacy of the “P. N. Gadgil” brand traces back over six generations to the year 1832. Prior to the incorporation of our Company in the year 2017, consequent to its conversion from the Erstwhile Partnership Firm, the current business was carried on by our Promoters in the name of such Erstwhile Partnership Firm.

Our offerings include gold jewellery, silver jewellery, idols and other silverware, diamonds and diamond jewellery and other gemstones jewellery and related gift items. We have the ability to create localised product mixes in our stores to suit regional tastes. We cater to our customers’ unique preferences, through our understanding of the regional market, as well as region-specific advertising and marketing campaigns.

We offer a wide range of products from jewellery for special occasions such as weddings and festivals to daily-wear jewellery for all ages, genders and across various price points. We cater to a variety of customers across high-end market, mid-market and value market segments and our products are designed by our in-house team of creative designers allowing us to manage a large and diverse portfolio of designs. We have a dedicated design team, focused on developing new products and designs that meet customers’ requirements. We also customise jewellery for individual needs. We engage artisans and contract manufacturers to manufacture our jewellery.

As on March 2018, we are the 2nd largest in terms of the store count in Maharashtra (*Source: CRISIL Report*). Our stores are divided into three formats, primarily on account of the size of the store, namely 11 ‘large format stores’ (above 3,500 sq. ft. of built up area), six ‘medium-format stores’ (above 2,200 sq. ft. of built area up to 3,500 sq. ft. of built up area) and eight ‘small-format stores’ (above 1,000 sq. ft. of built up area up to 2,200 sq. ft. of built up area). As of March 31, 2018, we have 23 stores in Maharashtra and one store in Gujarat and Karnataka each, with an aggregate built-up area of 100,213 sq. ft. For efficient management and operations, our Company has divided its stores into three separate zones as per our zonal model, namely Pune-zone, Nashik-zone and Solapur-zone. Our store network has also increased from two stores as on April 1, 2012 to 25 stores as on March 31, 2018. We further intend to expand our footprint by increasing our store count to 29 by end of FY2019 and 40 by end of FY2020. All of our stores are operated and managed by us. We also sell our products through our online platform at www.onlinepng.com.

We have implemented quality control practices across the value chain to ensure that we sell hallmarked gold jewellery up to 22 karats in line with the quality and purity metrics prescribed by BIS. All diamond jewellery that we sell is certified by IGI and loose diamonds that we sell are certified by GIA. Further, various quality control practices are followed during the designing and manufacturing of our jewellery.

Our business has grown rapidly in recent years. Following table sets forth our revenue details as per product category in last three Fiscals:

Revenue from Operations from the Sale of	Fiscal 2018		Fiscal 2017		Fiscal 2016	
	Amount (₹ million)	% of Total Revenue from Operations	Amount (₹ million)	% of Total Revenue from Operations	Amount (₹ million)	% of Total Revenue from Operations
Gold jewellery	15,121.06	82.32	12,966.95	83.87	14,386.09	86.98
Silver utensils, silver idols and silver ware	777.80	4.23	696.93	4.51	818.89	4.95
Diamonds and diamond jewellery	588.64	3.20	362.63	2.35	9.69	0.06
Platinum jewellery	13.83	0.08	8.91	0.06	0.10	0.00

Revenue from Operations from the Sale of	Fiscal 2018		Fiscal 2017		Fiscal 2016	
	Amount (₹ million)	% of Total Revenue from Operations	Amount (₹ million)	% of Total Revenue from Operations	Amount (₹ million)	% of Total Revenue from Operations
Making charges	1987.22	10.82	1,512.33	9.78	1,392.44	8.42
(Discount)	(121.03)	(0.66)	(87.65)	(0.57)	(67.27)	(0.41)
Total revenue from operations	18367.52	100.00	15,460.10	100.00	16,539.94	100.00

Between Fiscal 2014 and Fiscal 2018, our total revenue grew at a CAGR of 12.20% from ₹ 11,591.90 million for Fiscal 2014 to ₹ 18,367.52 million for Fiscal 2018, EBITDA grew at a CAGR of 18.76% from ₹ 572.38 million for Fiscal 2014 to ₹ 1,138.70 million for Fiscal 2018 and our PAT grew at a CAGR of 24.84% from ₹ 236.97 million for Fiscal 2014 to ₹ 575.58 million for Fiscal 2018.

Our Strengths

Long history, established brand name and transparent processes

We believe that “P. N. Gadgil” is a trusted jewellery brand amongst customers owing to its legacy and association with quality and purity. The “P. N. Gadgil” brand is known for its long-standing history since 1832. Our Company has 25 stores as on March 31, 2018 comprising of 23 stores in Maharashtra and one each in Gujarat and Karnataka. For further details, see “- Our stores” herein below. Going forth, we intend to expand our footprint by increasing our store count to 29 by FY2019 and 40 by FY2020. For further details, see “Objects of the Issue” on page 80.

We hallmark all our gold products sold up to 22 karats to ensure quality and purity of products, which is in line with the quality and purity metrics as prescribed by BIS. All diamond jewellery we sell is certified by IGI and loose diamonds sold by us are certified by GIA. We bar code our products, whereby, all our jewellery items are accompanied by a detailed break-up of the gross weight, net weight, diamond weight and making charges, as applicable, so as to ensure transparency and instill confidence in our customers. Our stores are equipped with karatmeters to allow customers to verify the purity of precious metals and jewellery sold by us.

To ensure transparent pricing we fix gold rates purity-wise for all our products, centrally from our Registered and Corporate Office at Pune, which provides our customers the benefit of availing a uniform gold rate and product prices across all our stores.

We exchange gold and gold jewellery purchased from us on weight to weight and karat basis. However, in cases where gold and gold jewellery is not purchased from us we exchange the same on net weight basis using karatmeter analysis. We also have a 100% exchange policy on our diamond jewellery including making charges. Further, we believe that in light of the above practices and policies followed by us we are also able to get an increased business from customers as well as retain and attract new customers.

While we primarily operate in non-metropolitan centres, talukas and districts we believe that we have a competitive advantage that aids in customer service and satisfaction as we follow standardise services and practices across all our stores.

We intend to continue to focus on such efforts that are aimed at promoting our principles. We believe that our reputation and brand image is built on trust and transparency, which is critical to the success of our business.

Network of strategically located stores

We focus on jewellery retail and have rapidly expanded our retail network of strategically located stores in recent years which also helps us to achieve logistical convenience in inventory management. Our store network increased from 2 stores as on April 1, 2012 to 25 stores as on March 31, 2018 with an aggregate built-up area of approximately 100,213 sq. ft. comprising of 11 ‘large format stores’ (above 3,500 sq. ft. of built up area), six ‘medium-format stores’ (above 2,200 sq. ft. of built area up to 3,500 sq. ft. of built up area) and eight ‘small-format stores’ (above 1,000 sq. ft. of built up area up to 2,200 sq. ft. of built up area). Further, for efficient management and operational efficiency, our stores have been divided into three separate zones namely Pune, Nashik and Solapur pursuant to implementation of our zonal model. As on March 2018, we are the 2nd largest in terms of the store count in Maharashtra (Source: CRISIL Report). Most of our stores are located in non-

metropolitan centres, talukas and districts, which are carefully chosen and allow us to benefit from access to a larger catchment of population from surrounding areas many of which we believe have a high demand for quality products which are not adequately catered by the unorganised players present in those markets.

We follow a detailed store selection methodology, including in-house surveys and analysis of various demographic features of areas where we propose to expand. We conduct detailed surveys, which take into consideration variety of factors including occupation of residents in the locality, catchment area, dependence on markets of selected locations, quantum of disposable income, existence of other jewellery and non-jewellery brands, existence of other industries, existence of banks and general education level of the population. We believe that our stores, located strategically and having high visibility, provide our customers with a standardized experience in terms of product variety. Customer service, practices and uniform pricing, which reinforces our positioning as a trusted jewellery retailer. We believe that our stores enable us to offer a wide range of products for all age groups and across various price points attracting a diverse customer base, ensure effective inventory management and provide benefits of scale.

Diversified product portfolio

We manufacture and sell a wide range of products from jewellery for special occasions, such as weddings and festivals to daily-wear jewellery. Our products are suitable for all age groups. Further, we have products across various price points to cater to a variety of customers across high-end market, mid-market and value market segments, which are designed by a team of creative designers allowing us to manage a large and diverse portfolio of designs. We also customise jewellery for individual needs.

Over the years, we have launched many creative collections in gold, silver and diamond jewellery. We have introduced a range of jewellery collections which are designed to cater to specific customer preferences such as '*Light Weight Beauty*' which is our jewellery in value market segment, '*Love again and again*' diamond jewellery, '*Saptapadi Bridal*' jewellery and '*Lantern Collection*' which is our temple jewellery collection. Our product portfolio, which is designed by an in-house team of creative designers allows us to manage a large and diverse portfolio of designs, including traditional, contemporary and fusion designs across jewellery lines, usages and price points. Our wide range of gold jewellery, silver jewellery and idols and other silverware, diamonds and diamond jewellery and other gemstones jewellery and related gift items reflects the regional customer preferences and designs. Further, we believe that our focus on the intricacy of designs coupled with our ability to recognize customer preferences and market trends are amongst our key strengths. We have launched products that address specific customer niches such as antique jewellery, which caters to mid-to-high-end customers. We have demonstrated our capability of having wide range of jewellery and intricate designs, which have been showcased in movies and television programmes. For further details, see "*Our Business – Our Operations – Products*".

Through the wide network of our stores, we had a net sale of 4,919.22 kgs, 4,132.09 kgs and 5,136.50 kgs of gold and gold products during the Fiscals 2018, 2017 and 2016 and a net sale of 14,792.05 kgs, 12,022.49 kgs and 17,821.80 kgs of silver and silver products during the Fiscals 2018, 2017 and 2016.

Strong understanding of customer preferences

India was the 2nd largest gold consuming country in the world during 2017. (Source: CRISIL) We believe that we can appeal to our customers through our understanding of regional market preferences, our knowledge and experience. We offer jewellery designs in our stores that are tailored to such regional tastes. In order to cater to customers with regional tastes in jewellery designs and styles, we engage local artisans as contract manufacturers to manufacture our jewellery. We believe that our understanding of regional preferences and tastes coupled with variety of regional designs and jewellery offered by us, provides us with a competitive advantage in the markets in which we currently operate.

Through our strategy of catering to regional preferences, we believe that we are able to effectively compete with both unorganised and organised jewellers by establishing customer rapport at a local level. Our strategy is to implement this by hiring local personnel for our stores who are fluent in the regional language as well as our brand positioning and region-specific marketing efforts. Pursuant to implementation of zonal modal, these decisions are taken at the zonal level in order to improve overall performance and operational efficiency.

Effective internal control and processes

We have established a set of operational and control practices to manage our business operations and to support our future growth at both the store and corporate level. Given the high value nature of our jewellery, our inventory management and internal audit procedures are critical to the success of our business. Our inventory procurement is centralized, which enables us to benefit from economies of scale and to maintain quality and security standards. We track our inventory from the initial procurement of raw materials to ultimate sales in our stores. We barcode each piece of finished goods inventory and conduct regular inventory counts at our stores. These measures are coupled with an integrated enterprise resource planning (“ERP”), system that allows us to monitor inventory and sales through a centralised platform. All our stores have strong rooms / safes for the safe storage of jewellery. We have contracts with various private security agencies who are required to provide security guards to all our stores, 24 hours a day. All stock is adequately insured across all branches. We also use services of a logistics company to transport our valuable products.

Our ERP system is designed to enable our management to manage various aspects of our operations from a centralized platform, including procurement of raw materials and semi-finished products, inventory management, human resource, sales and finance functions. In order to improve efficiency, we have divided our stores in three zones and whereby the Corporate Office focuses on procurement of raw material, designing and manufacturing of products and the decisions relating to marketing, inventory management and human resource are taken at the zonal level in consultation with the Corporate Office. Our systems enable our zonal level management to report performance in real time, which is reviewed by our senior management and board of directors and enable them to provide necessary course correction and strategic guidance. Our inventory management system facilitates efficient operations, for example, by identifying slower moving jewellery items at any store, which can then be reallocated to other stores with greater sales potential for those particular items. Further, these systems enable management to respond more effectively to changing seasonal consumption patterns to replenish or reallocate inventory based on customer demand.

Experienced Promoters supported by senior management team

Our Promoters have significant experience in the jewellery sector.

We believe the experience of our Promoters and senior management has been critical to our success and business growth. The family of one of our Promoters, namely Govind Gadgil has been associated with the jewellery industry since 1832. Further, Govind Gadgil himself has 40 years of experience in this industry. We believe that the experience of our senior management personnel such as our Whole-time Director and Chief Executive Officer, Amit Modak, has translated into the enhancement of our product quality, increased profitability and improved margins which give us a competitive edge. The strong relationships that our Promoters and senior management share with our suppliers and other industry participants have been instrumental in implementing our growth strategies.

Our Strategies

Leverage our scalable business model to expand our store network

The Indian jewellery industry is expected to continue to witness a shift in demand in favour of organised jewellery companies gaining market shares from the unorganised market (*Source: CRISIL Report*). We believe that our strong brand, scalable business model, effective operational and security processes position us well to capitalize on the market opportunity, and we intend to expand our network of stores across Maharashtra and / or adjoining states.

Our store network increased from 2 stores as on April 1, 2012 to 25 stores as on March 31, 2018. As a result of the foregoing, we believe that we have gained significant experience in launching stores and expanding into new markets. The Company has implemented a zonal model to measure performance at zonal level. Pursuant to which our stores have been divided into three separate zones namely Pune, Nashik and Solapur. We intend to expand our footprint by increasing our store count to 29 by end of March 2019 and 40 by end of March 2020.

We aim to enter new markets primarily in non-metropolitan centres, talukas and districts where we can potentially gain market share from regional players including the unorganized sector by carving a niche through our diversified product offerings, designs, price structure, transparent practices, customer service, reputation and by utilizing our name and goodwill, which has been established over years. We believe that our stores, located

strategically and having high visibility, provide our customers with a standardized experience, practices and uniform pricing which reinforces our positioning as a trusted jewellery retailer. We intend to consolidate our position in several existing markets by leveraging our brand visibility and goodwill established through our existing stores in these markets. Going forward, we intend to continue to utilise many of these strategies that have allowed us to succeed in opening proposed new stores and expand into new markets. For details see “*Objects of the Issue*” on page 80.

We intend to continue to follow a detailed store selection methodology. We analyse and take into consideration variety of factors including occupation of residents in the locality, catchment area, dependence of other villages or small towns in the vicinity, quantum of disposable income, existence of other jewellery and non-jewellery brands, existence of other industries, existence of banks and general education level of the population. Going forth, we intend to continue to follow our detailed store selection methodology.

Expanding our product offerings

We intend to continue to expand our existing range of product offerings to cater to customers across price points through creative designs and adding new collections. We have an in-house design team focused on developing new products and designs that meet customers’ requirements. Over the years, we have launched many creative collections in gold, silver and diamond jewellery. In the last few years, we have introduced a range of jewellery collections which are designed to cater to specific customer preferences such as ‘*Light Weight Beauty*’ which is our jewellery in value market segment, ‘*Love again and again*’ diamond jewellery, ‘*Saptapadi Bridal*’ jewellery and ‘*Lantern Collection*’ which is our temple jewellery collection]. We have a wide range of jewellery designs with intricate designs, which have been showcased in movies and television programmes. We also intend to focus on our diamond jewellery sales by cross-selling diamond jewellery to gold jewellery buyers, introducing diamond jewellery promotion schemes and launching new diamond jewellery products at various price points.

Continue to invest in our marketing and brand building initiatives

Our marketing and promotion efforts seek to increase sales by increasing brand awareness that stimulates interest in our product range and entrench our position in the regional jewellery industry. Since we are launching stores and expanding into new markets we shall increase spending on our marketing and brand building initiatives. The key marketing channels that we use on an ongoing basis include customer advertisements with specific coverage in events and newspapers, outdoor billboards and signage, online, radio and television advertisements. We believe our branding strategy helps us to retain existing customers and attract new customers. We intend to continue investing in our marketing initiatives and brand building exercise, including advertising through various media. Further, we also continue to provide effective training to our sales personnel in sales techniques and product knowledge. We believe that effective marketing is important for future revenue growth, enhancing our brand visibility, to establish relationships with target markets and to sell our products in a competitive and cost-effective manner. We believe that these measures contribute to enhancing our brand and customer familiarity and loyalty and result in increased sales. In order to increase footfalls in our existing as well as proposed new stores, we plan to continue our marketing activities such as advertising, organising events, participating in exhibitions, promotions and launching new product collection/ designs.

The ability to differentiate our brand, products and our stores from our competitors through our branding, marketing and advertising programs is an important factor in attracting customers. As the majority of our income is derived from our retail activities, creating and maintaining public awareness of our brand is crucial to our business. Accordingly, we invest in various marketing and advertising campaigns.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from the audited restated financial information as of and for year ended 2018, 2017, 2016, 2015 and 2014. This financial information have been prepared in accordance with Ind AS under the Companies Act and restated in accordance with the SEBI ICDR Regulations and are presented in “*Financial Information*” on page 162. The summary financial information presented below should be read in conjunction with our Restated Financial Information, the notes and annexures thereto and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 248.

SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(₹ in millions)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
A. Non-current assets					
Property, plant and equipment	828.29	819.17	591.04	360.80	336.19
Capital work-in-progress	-	2.81	1.41	170.85	-
Intangible assets	4.16	3.43	3.67	1.43	1.04
Investment Property	33.74	-	-	-	-
Financial assets					
- Investments	7.51	7.51	7.51	7.51	0.00
- Other financial assets	52.46	47.86	45.81	43.36	59.19
Deferred tax assets (net)	-	-	7.60	0.32	-
Other non-current assets	-	-	11.72	11.72	11.72
Total Non-current assets	926.15	880.79	668.77	595.99	408.13
B. Current assets					
Inventories	3,819.99	2,652.52	1,675.69	1,623.76	1,021.67
Financial assets					
- Investments	-	100.04	92.66	100.15	100.16
- Loans	-	30.07	-	-	-
- Other financial assets	88.09	59.83	38.27	23.12	58.44
- Trade receivables	16.40	24.61	23.19	20.64	26.16
- Cash and cash equivalents	273.40	248.05	258.68	367.04	559.70
- Other bank balances	0.81	19.57	49.01	27.04	15.26
Other current assets	46.61	42.74	24.56	7.42	9.76
Total Current assets	4,245.30	3,177.43	2,162.05	2,169.15	1,791.14
Total Assets	5,171.45	4,058.21	2,830.83	2,765.15	2,199.28
C. Non-current liabilities					
Financial liabilities					
- Long Term Borrowings	436.48	227.76	-	-	-
Long term provisions	18.71	16.82	13.02	10.35	6.57
Deferred tax liabilities (net)	3.10	0.70	-	-	0.78
Total Non-current liabilities	458.29	245.29	13.02	10.35	7.35
D. Current liabilities					
Financial liabilities					
- Short Term Borrowings	2,373.42	1,639.27	1,462.73	1,668.76	1,322.89
- Other financial liabilities	34.78	23.47	-	-	58.82
- Trade payables	313.94	367.29	85.89	89.08	181.61
Short term provisions	2.86	1.23	0.95	1.59	2.35
Provision for income tax	16.89	70.15	-	43.81	28.51
Other current liabilities	742.22	530.71	428.17	344.19	276.97
Total Current liabilities	3,484.11	2,632.11	1,977.74	2,147.43	1,871.15
Net Worth(A+B-C-D)	1,229.05	1,180.82	840.07	607.38	320.78
Total Liabilities	3,942.40	2,877.39	1,990.76	2,157.77	1,878.49
Represented by:					
Shareholders’ Funds					
E. Share capital	202.62	180.07	180.07	180.07	180.07
F. Other equity	1,026.42	1,000.76	660.00	427.31	140.72
Net Worth(E +F)	1,229.05	1,180.82	840.07	607.38	320.78

SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED

(₹ in millions)

Particulars	For the year ended March 31, 2018	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
I Income					
Revenue from operations	18,367.52	15,460.10	16,539.94	14,820.32	11,591.90
Other income	16.37	34.98	29.00	13.52	20.54
Total Income	18,383.89	15,495.08	16,568.93	14,833.85	11,612.44
II Expenses					
Cost of goods sold	16,364.62	13,730.03	15,130.24	13,445.73	10,590.05
Excise duty for sale of goods	42.80	116.82	-	-	-
Employee benefits expense	367.80	303.57	299.12	276.38	219.97
Other expenses	469.97	338.34	331.43	281.97	230.04
Total Expenses	17,245.19	14,488.76	15,760.79	14,004.08	11,040.06
III Restated earnings before interest, tax, depreciation and amortization (EBITDA) (I-II)	1,138.70	1,006.32	808.14	829.76	572.38
Finance cost	267.04	246.07	248.80	213.13	191.34
Depreciation and amortization expense	65.72	53.27	43.42	34.26	23.51
IV Restated Profit before tax (PBT)	805.93	706.98	515.92	582.37	357.54
Tax expenses					
- Current tax	228.40	216.18	171.71	194.52	119.90
- Deferred tax charge / (credit)	1.95	8.38	(7.47)	(0.62)	0.67
V Income tax expense	230.35	224.56	164.24	193.90	120.57
VI Restated Net Profit after tax	575.58	482.42	351.68	388.47	236.97
Re-measurement gain / (loss) on defined benefit plans	1.49	(0.25)	0.58	(1.42)	0.34
Effect of income tax (charge) / credit	(0.45)	0.09	(0.20)	0.48	(0.12)
VIII Restated Other Comprehensive Income (net of taxes)	1.05	(0.16)	0.38	(0.94)	0.23
Total restated comprehensive income (net of taxes) (VI+VIII)	576.63	482.26	352.06	387.54	237.20

SUMMARY STATEMENT OF STANDALONE CASH FLOWS, AS RESTATED

(₹ in millions)

Particulars	For the year ended March 31, 2018	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
A. Cash Flows from Operating Activities					
Profit before tax from continuing operations	805.93	706.98	515.92	582.37	357.54
Profit before tax	805.93	706.98	515.92	582.37	357.54
Adjustment to reconcile profit before tax to net cash flows :					
Depreciation on property, plant and equipment	65.20	52.86	43.18	34.13	23.41
Amortization on intangible assets	0.53	0.41	0.24	0.14	0.10
Depreciation & amortization written back	-	-	-	-	(5.53)
Re-measurement gain / (loss) on defined benefit plans	1.49	(0.25)	0.58	(1.42)	0.34
Finance income (including fair value change in financial instruments)	(0.75)	(3.74)	(5.30)	(2.65)	(2.68)
Finance cost	267.04	246.07	248.80	213.13	191.34
(Profit)/Loss on sale of assets	(6.18)	1.06	0.04	0.01	-
Operating profit before working capital changes	1,133.27	1,003.39	803.46	825.71	564.51
Working capital adjustments:					
Increase/(Decrease) in trade payables	(53.35)	281.40	(3.19)	(92.53)	100.25
Increase/(Decrease) in provisions	3.52	4.08	2.03	3.02	8.92
Increase/(Decrease) in current tax provisions	(53.25)	70.15	(43.81)	15.30	28.51
Increase/(Decrease) in other current liabilities	211.51	102.54	83.97	67.22	(43.92)
(Increase)/Decrease in inventory	(1,167.47)	(976.83)	(51.93)	(602.09)	171.88
(Increase)/Decrease in trade receivables	8.21	(1.42)	(2.55)	5.52	(11.22)
(Increase)/Decrease in loans and advances	30.07	(30.07)	-	-	-
(Increase)/Decrease in other financial assets	(32.86)	(23.60)	(17.61)	51.15	7.14
(Increase)/Decrease in other non-current assets	-	11.72	-	-	(11.72)
(Increase)/Decrease in other assets	(3.87)	(18.19)	(17.14)	2.34	15.85
	(1,057.49)	(580.22)	(50.22)	(550.06)	265.69
Income tax paid	228.40	216.18	171.71	194.52	119.90
Net cash flows from / (used in) operating activities (A)	(152.62)	207.00	581.52	81.13	710.30
B. Cash Flows from Investing Activities					
Purchase of property, plant and equipment	(234.86)	(286.43)	(107.94)	(230.13)	(266.70)
Proceeds from Sale/(Purchase) of investment	100.04	(7.38)	7.49	(7.50)	(100.16)
Proceeds from sale of property, plant and equipment	134.55	2.82	1.43	0.01	12.87
Changes in other bank balances	18.76	29.44	(21.97)	(11.78)	(15.26)
Finance income (including fair value change in financial instruments)	0.75	3.74	5.30	2.65	2.68
Net cash flow from / (used in) investing activities (B)	19.23	(257.82)	(115.70)	(246.76)	(366.57)
C. Cash Flows from Financing Activities					

Particulars	For the year ended March 31, 2018	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
Issue of Share Capital	789.51	-	-	-	-
Disbursement / (Repayment) of borrowings					
Non-current borrowings	208.72	227.76	-	-	(58.82)
Current borrowings	734.15	176.54	(206.02)	345.87	478.33
Other financial liabilities	11.31	23.47	-	(58.82)	(44.20)
Dividend	(1,315.78)	(141.50)	(119.36)	(100.94)	(96.48)
Unamortized Preliminary Expenses	(2.13)	-	-	-	-
Finance cost	(267.04)	(246.07)	(248.80)	(213.13)	(191.34)
Net cash flow from/(used in) financing activities (C)	158.74	40.19	(574.19)	(27.03)	87.49
Net increase/(decrease) in cash and cash equivalents (A+B+C)	25.35	(10.63)	(108.36)	(192.66)	431.23
Cash and cash equivalents at the beginning of the year	248.05	258.68	367.04	559.70	128.47
Cash and cash equivalents in the statement of cash flows	273.40	248.05	258.68	367.04	559.70
Components of cash and cash equivalents					
Cash on hand	13.79	16.45	19.44	8.75	191.08
Cheques on hand	-	-	0.43	-	0.30
Balance with Banks					
- on current account	259.61	221.60	238.81	308.29	368.32
Fixed deposits with original maturity of less than 3 months	-	10.00	-	50.00	-
Total cash and cash equivalents	273.40	248.05	258.68	367.04	559.70

THE ISSUE

The following table summarizes the details of the Issue:

Issue ⁽¹⁾	Up to [●] Equity Shares, aggregating up to ₹ 5,000 million
<i>Of which:</i>	
Employee Reservation Portion ⁽²⁾⁽³⁾	Up to [●] Equity Shares aggregating up to ₹ [●] million
Net Issue	[●]
<i>Of which</i>	
A) QIB Portion ⁽⁴⁾⁽⁵⁾	Not more than [●] Equity Shares
<i>of which:</i>	
(i) Anchor Investor Portion	Not more than [●] Equity Shares
(ii) Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
<i>of which:</i>	
(a) Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding Anchor Investor Portion))	[●] Equity Shares
(b) Balance for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion ⁽⁵⁾	Not less than [●] Equity Shares
C) Retail Portion ⁽⁵⁾	Not less than [●] Equity Shares
Pre and post Issue Equity Shares	
Equity Shares outstanding prior to the Issue	33,770,599 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Utilisation of Net Proceeds	See “ <i>Objects of the Issue</i> ” on page 80 for information about the use of the proceeds from the Issue.

- (1) The Issue has been authorized by a resolution of our Board of Directors dated March 4, 2018 and by a special resolution of our Shareholders passed at the extraordinary general meeting held on March 7, 2018.
- (2) Employee Discount of up to [●] % to the Issue Price may be offered to the Eligible Employees bidding in the Employee Reservation Portion.
- (3) Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹500,000 (which will be less Employee Discount, if any). However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹200,000 (which will be less Employee Discount, if any). In the event of under-subscription in the Employee Reservation Portion (post the initial Allocation of up to ₹200,000 per Eligible Employee), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to an Eligible Employee not exceeding ₹500,000 (which will be less Employee Discount, if any). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation to Eligible Employees with Bid Amounts over ₹200,000 up to a maximum of ₹500,000), shall be added to the Net Issue.
- (4) Our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. 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 Anchor Investors Issue Price. In case of under subscription in the Anchor Investor Portion, the remaining Equity Shares will be added back to the QIB Category. 5% of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion will be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Any unsubscribed portion in the Mutual Fund portion will be added to the QIB Portion (excluding the Anchor Investor Portion) and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, see “Issue Procedure” on page 303.

- (5) *Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange in a proportionate basis, subject to applicable laws. Under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or combination of categories.*

Notes

1. In terms of Rule 19(2)(b) of the SCRR, read with Regulation 41 of the SEBI ICDR Regulations and in accordance with Regulation 26(1) of the SEBI ICDR Regulations, the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. In the event the post-Issue Equity Share capital of our Company calculated at the Issue Price is greater than ₹ 16,000 million but less than or equal to ₹ 40,000 million, then the Issue will be deemed to be undertaken in terms of Rule 19(2)(b)(ii) of the SCRR where the minimum Issue to public will be at least such percentage which will be equivalent to ₹ 4,000 million calculated at the Issue Price.
2. Allocation to QIB Category (except the Anchor Investor Portion, if any) and Non-Institutional Category shall be made on a proportionate basis and Allocation to Retail Category shall be made in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue price. For details, see “*Issue Procedure*” on page 303.
3. Allotment to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Category, and the remaining available Equity Shares, if any, shall be Allotted on a proportionate basis.
4. Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category, except the QIB Category, would be met with spill-over from any other category or a combination of categories, as applicable, by the Company, in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable law.
5. Retail Individual Investors bidding at a price within the Price Band can make payment at the Bid Amount, at the time of making a Bid. Retail Individual Investors bidding at the Cut-Off Price have to ensure payment at the Cap Price at the time of making a Bid. Retail Individual Investors must ensure that the Bid Amount does not exceed ₹ 200,000. Retail Individual Investors should note that while filling the “SCSB/Payment Details” block in the Bid cum Application Form, Retail Individual Investors must mention the Bid Amount.

For details, including in relation to grounds for rejection of Bids, refer to “*Issue Structure*” and “*Issue Procedure*” on page 299 and 303, respectively. For details of the terms of the Issue, see “*Terms of the Issue*” on page 294.

GENERAL INFORMATION

Our Company was incorporated pursuant to a certificate of incorporation dated November 6, 2017 issued by the Registrar of Companies (“RoC”), Maharashtra at Pune following our conversion from the Erstwhile Partnership Firm to a public limited company. For further details of change in the name and Registered and Corporate Office of our Company, see “History and Certain Corporate Matters” on page 133.

For details of the business of our Company, see “Our Business” on page 119.

Registered and Corporate Office

Abhiruchi Mall, S. No. 59/1-C
Wadgaon (BK), Sinhgad Road
Pune, Maharashtra - 411 041
Tel: +91 20 2461 2000
Fax: +91 20 2461 2185
E-mail: info@pngadgilandsons.com
Website: www.pngadgilandsons.com
Corporate Identity Number: U36911PN2017PLC173262
Registration Number: 173262

Address of the RoC

Our Company is registered with the RoC situated at:

PMT Building Stock Exchange
3rd Floor, Deccan Gymkhana,
Pune- 411 004, Maharashtra

Board of Directors

The Board of Directors of our Company comprises the following:

Name	Designation	DIN	Address
Govind Gadgil	Chairman and Whole-time Director	00616617	576, Shaniwar Peth, Opp. Kesari Wada, Pune Maharashtra, India- 411 030
Renu Gadgil	Whole-time Director	07412955	576, Shaniwar Peth, N C Kelkar Road, Pune Maharashtra, India- 411 030
Amit Modak	Whole-time Director and Chief Executive Officer	00396631	S.No.65, Indira Co. Housing Society, Yashada, Erandawne, Laxmi Narayan Nagar Road, Pune, Maharashtra, India – 411 004
Udaya Kalkundrikar	Non-Executive Director	08007781	House No. 118, Gandhi Colony, Tilakwadi, Belagavi, Belgaum, Karnataka, India – 590 006
Ashish Khandelwal	Independent Director	00098473	504-505, A Building, Marvel Viva City, 7 th Lane, Kalyani Nagar, Pune, Maharashtra, India – 411 006
Ashok Gokhale	Independent Director	02415119	32, Sangam Nagar, Satara Road, Pune, Maharashtra, India – 411 037
Ranjeet Natu	Independent Director	02892084	Flat No. 8/3A, New Ajantha Avenue Wing, A/2 S.No.135/136, Part Paud Road, Kothrud Pune, Maharashtra India – 411 038
Ashutosh Nanal	Independent Director	08085279	304 A, Govind Gaurav Apartment, Sahakar Nagar, Swanand Society, 1 Parvati, Pune - 411 009, Maharashtra, India

For further details in relation to our Directors, see “Our Management” on page 136.

Company Secretary

Purva Mehra is the Company Secretary of our Company. Her contact details are as follows:

Abhiruchi Mall, S. No. 59/1-C
Wadgaon(BK), Sinhgad Road
Pune, Maharashtra - 411 041
Tel: +91 20 2461 2000
Fax: +91 20 2461 2185
E-mail: cs@pngsl.com

Chief Financial Officer

Aditya Modak is the Chief Financial Officer of our Company. His contact details are as follows:

Abhiruchi Mall, S. No. 59/1-C
Wadgaon(BK), Sinhgad Road
Pune, Maharashtra - 411 041
Tel: +91 20 2461 2000
Fax: +91 20 2461 2185
E-mail: aditya.modak@pngsl.com

Compliance Officer

Avanti Gulavani is the Compliance Officer of our Company. Her contact details are as follows:

Abhiruchi Mall, S. No. 59/1-C
Wadgaon(BK), Sinhgad Road
Pune, Maharashtra - 411 041
Tel: +91 20 2461 2000
Fax: +91 20 2461 2185

Investor Grievance

Investors can contact the Compliance Officer, the BRLMs or the Registrar to the Issue in the event of any pre-Issue or post-Issue related issues, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

All Issue related grievances may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder and the ASBA Account number in case of ASBA Bidders and unique transaction reference number and the name of the relevant bank in case of Anchor Investors.

Further, the Bidders shall also enclose a copy of the Acknowledgment Slip or specify the application number duly received from the Designated Intermediaries in addition to the information mentioned hereinabove.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

Book Running Lead Managers

HDFC Bank Limited

Investment Banking Group,
Unit No. 401 & 402, 4th Floor,
Tower B, Peninsula Business Park,
Lower Parel, Mumbai 400 013
Maharashtra, India
Tel: +91 22 3395 8001
Fax: +91 22 3078 8584
Email: png.ipo@hdfcbank.com
Investor grievance email:
investor.redressal@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Sakshi Jain/ Rakesh Bhunatar
SEBI Registration No.: INM000011252

YES Securities (India) Limited

IFC, Tower 1 & 2, Unit no. 602 A, 6th Floor,
Senapati Bapat Marg, Elphinstone (West),
Mumbai - 400 013
Maharashtra, India
Tel: +91 22 3012 6919
Fax: +91 22 2421 4508
E-mail: png.ipo@yessecuritiesltd.in
Investor grievance e-mail: igc@yessecuritiesltd.in
Website: www.yesinvest.in
Contact Person: Nikhil Bhiwapurkar/ Pratik Pednekar
SEBI Registration No.: INM000010353

Syndicate Members

[•]

Indian Legal Counsel to our Company

Khaitan & Co

One Indiabulls Centre
13th Floor, Tower 1
841 Senapati Bapat Marg
Mumbai 400 013
Tel: +91 (22) 6636 5000
Fax: +91 (22) 6636 5050

Indian Legal Counsel to the Book Running Lead Managers

J. Sagar Associates

Vakils House
18 Sprott Road, Ballard Estate
Mumbai 400 001
Tel: +91 22 4341 8600
Fax: +91 22 4341 8617

Statutory Auditors to our Company

Shah & Taparia, Chartered Accountants

B-502, Business Square,
Solitaire Corporate Park,
Andheri Kurla Road, Andheri East,
Mumbai 400 059
Tel: +91 22 4211 6800
Fax: +91 22 4211 6868
Email: auditor@shahtaparia.com
Website: http://www.shahtaparia.com/
Contact person: Ramesh Pipalawa
Membership no: 103840
Firm Registration No: 109463W
Peer Review Certificate No: 008072

Registrar to the Issue

Link Intime India Private Limited

C-101, 1st floor, 247 Park
L.B.S Marg, Vikhroli (West)

Mumbai 400 083
Maharashtra, India
Tel: +91 22 4918 6200
Fax: +91 22 4918 6195
E-mail: pngadgil.ipo@linkintime.co.in
Investor grievance e-mail: pngadgil.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI Registration No.: INR000004058

Escrow Collection Bank, Public Issue Bank and Refund Bank

[•]

Bankers to our Company

HDFC Bank Limited

5th Floor, Marathon IT Park
Bundgarden Road,
Pune 411 001
Tel: +91 20 3952 4663
Fax: NA
E-mail ID: akhil.jain1@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Akhil Jain

YES Bank Limited

Galaxy Society
Dhole Patil Road, Bund Garden,
Pune 411 001
Tel: +91 20 3014 9084
Fax: +91 20 30149000
E-mail ID: vinay.sah@yesbank.in
Website: www.yesbank.in
Contact Person: Vinay Sah

The Federal Bank Limited

Shop No 4,5 & 6, Funtime
Building, Wadgaon Bk
Sinhagad Road,
Pune 411 041
Tel: +91 20 2434 0244
Fax: NA
E-mail ID: pnec@federalbank.co.in
Website: www.federalbank.co.in
Contact Person: Deepali Ponkshe

SVC Cooperative Bank Limited

Sr no 35,2,1,1
Vadgaon Budruk-Manik Baug
Sinhagad Road
Pune 411041
Tel: +91 20 2435 5004/ 05
Fax: NA
E-mail ID: phadnispp@svcbank.com
Website: www.svcbank.com
Contact Person: Pradip Prabhakar Phadnis

Bank of Baroda Limited

Corporate Financial Services (CFS) Branch
Mantri Court, 1st Floor, 39,
R Ambedkar Road
Pune 411 001
Tel: +91 20 2605 8283/ 84/ 85
Fax: NA
E-mail ID: corpun@bankofbaroda.com
Website: www.bankofbaroda.com
Contact Person: Jagdish Tungaria

Designated Intermediaries

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs under the BTI Regulations for the ASBA process in accordance with the SEBI ICDR Regulations is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34> and updated from time to time. For details of the list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries and as updated from time to time, please refer to the above-mentioned link.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries> and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

Registered Brokers/ Registrar and Share Transfer Agents/ CDPs

Bidders can submit ASBA Forms in the Issue using the stock broker network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres.

The list of the Registered Brokers, Registrar and Share Transfer Agents and CDPs, eligible to accept ASBA Forms at the Broker Centres, Designated RTA Locations and Designated CDP Locations respectively, including details such as postal address, telephone number and email address, are provided on the websites of BSE and NSE at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6> and for Registered Brokers and <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6> and https://www.nse-india.com/products/content/equities/ipos/asba_procedures.htm for Registrar and Share Transfer Agents and CDPs, as updated from time to time.

In relation to ASBA Bids submitted to the Registered Brokers at the Broker Centres, the list of branches of the SCSBs at the Broker Centres named by the respective SCSBs to receive deposits of the ASBA Forms from the Registered Brokers is available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

For further details, please see “*Issue Procedure*” on page 303 of this Draft Red Herring Prospectus.

Experts

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

Our Company has received written consent from the Statutory Auditors namely, Shah & Taparia, Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name as “expert” under Section 26 read with Section 2(38) of the Companies Act, 2013 in this Draft Red Herring Prospectus in relation to the report dated May 3, 2018 on the Restated Financial Information of our Company and the statement of tax benefits dated May 4, 2018, included in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of filing of this Draft Red Herring Prospectus with SEBI.

Vidyasagar Jadhav, an independent architect, has provided his written consent for the inclusion of extracts from the certificate dated April 28, 2018 in this Draft Red Herring Prospectus and to be named as an “expert” as defined under the Companies Act, 2013 in relation thereto, and such consent has not been withdrawn at the time of delivery of this Draft Red Herring Prospectus to SEBI.

Monitoring Agency

Our Company shall appoint a monitoring agency prior to the filing of the Red Herring Prospectus in accordance with the SEBI ICDR Regulations. The relevant details will be included in the RHP.

Inter-se Allocation of Responsibilities

The following table sets forth the inter-se allocation of responsibilities for various activities among the BRLMs for the Issue:

S. No.	Activity	Responsibility	Coordination
1.	Capital structuring with the relative components and formalities such as type of instruments, composition of debt and equity, size of the Issue, etc.	BRLMs	HDFC

S. No.	Activity	Responsibility	Coordination
2.	Due diligence of Company's operations/ management/ business plans/ legal etc. Drafting and design of Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus including memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of Prospectus and RoC filings of the same.	BRLMs	HDFC
3.	Drafting and approval of statutory advertisements	BRLMs	HDFC
4.	Drafting and approval of all publicity material other than statutory advertisements as mentioned above, including corporate advertisements, brochure etc.	BRLMs	YES
5.	Appointment of intermediaries viz., Registrar(s), Printers, Escrow Collection Bank(s), Refund Banker, Public Issue Bank(s), Advertising Agency, Monitoring Agency, etc. and coordinating with them for execution of their respective agreements.	BRLMs	YES
6.	Preparation and finalisation of road-show presentation and FAQs	BRLMs	HDFC
7.	International institutional marketing of the Issue, which will cover, inter alia, <ul style="list-style-type: none"> Finalizing the list and division of investors for one to one meetings; Finalizing the road show schedule and the investor meeting schedules 	BRLMs	YES
8.	Domestic institutional marketing of the Issue, which will cover, inter alia, <ul style="list-style-type: none"> Finalizing the list and division of investors for one to one meetings; Finalizing the road show schedule and the investor meeting schedules 	BRLMs	HDFC
9.	Retail and Non-institutional marketing of the Issue, which will cover <i>inter alia</i> : <ul style="list-style-type: none"> Formulating marketing strategies, preparation of publicity budget; Finalizing media and public relations strategy; Finalizing center for holding conferences for press and brokers, etc.; Follow-up on distribution of publicity and Issue material including forms, the Prospectus and deciding on the quantum of Issue material; and Finalizing collection centres 	BRLMs	HDFC
10.	Finalization of pricing in consultation with the Company	BRLMs	HDFC
11.	Managing the book and coordination with Stock-Exchanges for Book building software, Bidding terminals and mock trading	BRLMs	YES
12.	Post Issue activities including Anchor Investor related activities for post Issue, which shall involve essential follow-up steps including Anchor coordination, follow up steps including management of escrow accounts, co-ordinate non-institutional and institutional allocation, intimation of allocation and dispatch of refunds to	BRLMs	YES

S. No.	Activity	Responsibility	Coordination
	bidders etc. The post Issue activities for the Issue will involve essential follow up steps, which include the finalization of basis of allotment, finalisation of basis of allotment advertisement, dispatch of refunds, demat and delivery of shares, finalization of listing and trading of instruments with the various agencies connected with the work such as the Registrar(s) to the Issue, Escrow Collection Banks and Self Certified Syndicate Banks and regular monitoring of investor grievances for redressal. No-objection certificate from SEBI and release of 1% security deposit, handling of investor grievances for redressal and media compliance report.		

IPO Grading

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

Credit Rating

As this is an issue of Equity Shares, there is no credit rating for the Issue.

Appraising Entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency

Trustees

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

Book Building Process

The book building process, in the context of the Issue, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Form within the Price Band and Employee Discount. The Price Band will be decided by our Company in consultation with the BRLMs, and shall be advertised in all editions of the widely circulated English national daily newspaper [●], all editions of the widely circulated Hindi national daily newspaper [●] and the Pune edition of the widely circulated Marathi daily newspaper [●], Marathi being the regional language of Maharashtra where our Registered and Corporate Office is located) at least five Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Issue Price shall be determined by our Company in consultation with the BRLMs after the Bid/ Issue Closing Date.

All Bidders, except Anchor Investors, can participate in the Issue only through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders bidding in the Retail Portion and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/ Issue Period and withdraw their Bids until the Bid/ Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/ Issue Period. Allocation to QIBs in the QIB Portion (other than Anchor Investor Portion) will be on proportionate basis and Allocation to the Anchor Investors will be on a discretionary basis.

Our Company will comply with the SEBI ICDR Regulations and any other directions issued by SEBI in relation to the Issue. In this regard, our Company has appointed the Book Running Lead Managers to manage the Issue and procure Bids to the Issue.

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

For further details on the method and procedure for Bidding, see “*Issue Procedure*” on page 303.

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

Each Bidder, by submitting a Bid in the Issue, will be deemed to have acknowledged the above restrictions and the terms of the Issue.

For further details see “*Issue Structure*” and “*Issue Procedure*” on pages 299 and 303, respectively.

Illustration of Book Building Process and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see “*Issue Procedure – Part B – Basis of Allocation – Illustration of the Book Building Process and Price Discovery Process*” on page 335.

Underwriting Agreement

After the determination of the Issue Price, but prior to the filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs will be responsible for bringing in the amount devolved in the event that the Syndicate Members does not fulfil its underwriting obligations. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions specified therein.

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

(This portion has been intentionally left blank and will be completed before filing the Prospectus with the RoC.).

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

The above-mentioned table will be finalised after determination of Issue Price and Basis of Allotment and subject to the provisions of the SEBI ICDR Regulations.

In the opinion of the Board of Directors, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). The Board of Directors/committee of Directors, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them in accordance with the Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The Underwriting Agreement stated above shall not apply to the applications by the ASBA Bidders in the Issue, except for ASBA Bids procured by any member of the Syndicate.

The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after the determination of the Issue Price, but prior to the filing of the Prospectus with the RoC.

CAPITAL STRUCTURE

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

(In ₹ except share data)

		Aggregate value at face value	Aggregate value at Issue Price*
A	AUTHORIZED SHARE CAPITAL⁽¹⁾		
	60,000,000 Equity Shares of face value ₹ 10 each	600,000,000	-
B	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE		
	33,770,599 Equity Shares of face value ₹ 10 each	337,705,990	-
C	PRESENT ISSUE		
	Issue of up to [●] Equity Shares of face value ₹ 10 each aggregating up to ₹ 5,000 million ⁽²⁾	[●]	[●]
	Which comprises of:		
	Fresh Issue of [●] Equity Shares of face value of ₹10 each aggregating up to ₹ [●] million	[●]	[●]
	Employee Reservation Portion of up to [●] Equity Shares aggregating up to ₹ [●] million	[●]	[●]
D	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE		
	[●] Equity Shares of face value ₹ 10 each	[●]	[●]
E	SECURITIES PREMIUM ACCOUNT		
	Before the Issue		631,868,660
	After the Issue		[●]

* To be updated upon finalization of the Issue Price.

(1) For details in relation to the changes in the authorized share capital of our Company, see "History and Certain Corporate Matters" on page 133.

(2) The Issue has been authorized by a resolution of our Board of Directors dated March 4, 2018 and by a special resolution of our Shareholders passed at the extraordinary general meeting held on March 7, 2018.

Notes to the Capital Structure

1. Share Capital History of our Company

(a) The history of the Equity Share capital of our Company is set forth in the table below:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of transaction	Cumulative Number of Equity Shares	Cumulative Paid-up Equity Share Capital (in ₹)
November 6, 2017	18,006,600	10	10	Other than cash, pursuant to conversion of M/s P.N. Gadgil & Sons into our Company under Part I of Chapter XXI of the Companies Act	Initial subscription to the Memorandum of Association ⁽¹⁾	18,006,600	180,066,000
March 4, 2018	2,000,739	10	350	Cash	Rights Issue ⁽²⁾	20,007,339	200,073,390
March	255,000	10	350	Cash	Preferential	20,262,339	202,623,390

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of transaction	Cumulative Number of Equity Shares	Cumulative Paid-up Equity Share Capital (in ₹)
30, 2018					allotment ⁽³⁾		
April 23, 2018	13,508,260	10	N.A.	Other than Cash	Bonus Issue ⁽⁴⁾	33,770,599	337,705,990
TOTAL						33,770,599	337,705,990

- (1) 10,000,000 Equity Shares were allotted to Govind Gadgil, 8,000,000 Equity Shares were allotted to Renu Gadgil, 1,100 Equity Shares were allotted to Amit Modak, 1,100 Equity Shares were allotted to Satish Kuber, 1,100 Equity Shares were allotted to Shrikant Kuber, 1,100 Equity Shares were allotted to Sunil Pathak, 1,100 Equity Shares were allotted to Prafulla Wagh and 1,100 Equity Shares were allotted to Niranjan Deole pursuant to their subscription to the MoA.
- (2) 1,111,112 Equity Shares were allotted to Govind Gadgil, 888,889 Equity Shares were allotted to Renu Gadgil, 123 Equity Shares were allotted to Amit Modak, 123 Equity Shares were allotted to Satish Kuber, 123 Equity Shares were allotted to Shrikant Kuber, 123 Equity Shares were allotted to Sunil Pathak, 123 Equity Shares were allotted to Prafulla Wagh and 123 Equity Shares were allotted to Niranjan Deole pursuant to rights issue in the ratio of 1:9.
- (3) 255,000 Equity Shares were allotted to 61 allottees.
- (4) Bonus Allotment of 13,508,260 Equity Shares in the proportion of two Equity Shares each for every three existing fully paid Equity Shares held to the existing Shareholders, authorized by the Shareholders through a resolution dated April 18, 2018. 5,925,926 Equity Shares were allotted to Renu Gadgil, 7,407,408 Equity Shares were allotted to Govind Gadgil, 816 Equity Shares were allotted to Sunil Dattatray Pathak, 7,482 Equity Shares were allotted to Satish Kuber, 2,149 Equity Shares were allotted to Niranjan Deole, 22,149 Equity Shares were allotted to Amit Modak, 7,482 Equity Shares were allotted to Shrikant Kuber, 7,482 Equity Shares were allotted to Prafulla Wagh, 1,334 Equity Shares were allotted to Hanmantrao Mohite, 1,334 Equity Shares were allotted to Meeta Bharkhada, 1,334 Equity Shares were allotted to Anuradha Natu, 1,334 Equity Shares were allotted to Jyoti Shah, 1,334 Equity Shares were allotted to Vishnu Bheda, 1,334 Equity Shares were allotted to Ankita Agrawal, 1,334 Equity Shares were allotted to Saruddhi Bapat, 1,334 Equity Shares were allotted to Nileema Parthak, 1,334 Equity Shares were allotted to Vrajesh Krishnakumar Shah j/w Devendra Ghodnadikar j/w Vrajesh Navneetbhai Shah, 1,334 Equity Shares were allotted to Mansi Kulkarni, 6,667 Equity Shares were allotted to Vasudeo Gadgil, 1,334 Equity Shares were allotted to Medha Joshi, 6,667 Equity Shares were allotted to Ganesh Gadgil HUF, 10,667 Equity Shares were allotted to Ganesh Gadgil, 10,667 Equity Shares were allotted to Arundhati Gadgil, 2,667 Equity Shares were allotted to Neha Gadgil, 6,667 Equity Shares were allotted to Dhananjay Gadgil, 4,000 Equity Shares were allotted to Himagauri Gadgil, 1,334 Equity Shares were allotted to Sunil Umakant Pathak, 1,334 Equity Shares were allotted to Sharankumar Ratkalkar, 1,334 Equity Shares were allotted to Rachana Joshi j/w Girish Joshi, 1,334 Equity Shares were allotted to Vijay Barve j/w Mrinalini Barve, 1,334 Equity Shares were allotted to Smita Khandelwal, 1,334 Equity Shares were allotted to Lalchand Karnavat j/w Savita Karnavat, 1,334 Equity Shares were allotted to Prakash Patke, 1,334 Equity Shares were allotted to Mahendrakumar Shah, 1,334 Equity Shares were allotted to Subrato Mujumdar, 1,334 Equity Shares were allotted to Pradeep Surana, 1,334 Equity Shares were allotted to Nareshkumar Parmar, 1,334 Equity Shares were allotted to Nikhil Warriar j/w Deepti Warriar, 1,334 Equity Shares were allotted to Akshay Chavan, 1,334 Equity Shares were allotted to Archana Gorhe, 1,334 Equity Shares were allotted to Namrata Jangale, 1,334 Equity Shares were allotted to Girish Natu j/w Meghana Natu, 1,334 Equity Shares were allotted to Mangal Bhangdiya, 1,334 Equity Shares were allotted to Jyoti Paranjape j/w Ravindra Paranjape, 2,667 Equity Shares were allotted to Ravindra Khadilkar, 1,334 Equity Shares were allotted to Abhay Deole, 10,000 Equity Shares were allotted to Anjali Gadgil, 1,334 Equity Shares were allotted to Asha Ogale, 1,334 Equity Shares were allotted to Shrinivas Joglekar j/w Gayatri Joglekar, 1,334 Equity Shares were allotted to Swait Ganu j/w Avinash Ganu, 1,334 Equity Shares were allotted to Jay Kelkar, 1,334 Equity Shares were allotted to Nivedita Bokil, 1,334 Equity Shares were allotted to Suprabha Prabhu, 1,334 Equity Shares were allotted to Udaya Kalkundrikar, 2,667 Equity Shares were allotted to Nisha Gadgil, 1,334 Equity Shares were allotted to Rohini Kalkundrikar, 1,334 Equity Shares were allotted to Manoj Phulambrikar, 1,334 Equity Shares were allotted to Ashok Shah, 1,334 Equity Shares were allotted to Umesh Bora, 1,334 Equity Shares were allotted to Jinendra Shah, 1,334 Equity Shares were allotted to Abhay Gadgil, 2,667 Equity Shares were allotted to Aditya Modak, 1,334 Equity Shares were allotted to Shripal Oswal, 2,667 Equity Shares were allotted to Smita Halasgikar.

2. Issue of Equity Shares for consideration other than cash or out of revaluation reserves

Our Company has not issued any Equity Shares or preference shares, including any bonus shares, out of revaluation of reserves at any time since incorporation.

Except as set forth below, our Company has not issued Equity Shares for consideration other than cash:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue price per Equity Share (₹)	Reason / Nature of allotment
November 6, 2017	18,006,600 ⁽¹⁾	10	10	Other than cash pursuant to conversion of M/s P.N. Gadgil & Sons into our Company under Part I of Chapter XXI of the Companies Act.
April 23, 2018	13,508,260 ⁽²⁾	10	N.A.	Bonus Issue

(1) Initial Subscription to MoA by Govind Gadgil, who was allotted 10,000,000 Equity Shares, Renu Gadgil who was allotted 8,000,000 Equity Shares, Amit Modak, Satish Kuber, Shrikant Kuber, Sunil Pathak, Prafulla Wagh and Niranjana Deole, who were allotted 1,100 Equity Shares each.

(2) Bonus Allotment of 13,508,260 Equity Shares in the proportion of two Equity Shares each for every three existing fully paid Equity Shares held, to the existing, Shareholders, authorized by the Shareholders through a shareholders' resolution dated April 18, 2018.

3. Issue of Equity Shares under Sections 230 to 232 of the Companies Act, 2013 or Sections 391 to 394 of the Companies Act, 1956

Our Company has not allotted any Equity Shares pursuant to any scheme of amalgamation under Sections 230 to 232 of the Companies Act, 2013 or Sections 391 to 394 of the Companies Act, 1956.

4. Issue of Equity Shares at price that may be lower than the Issue Price in the last year

Except as disclosed below, our Company has not issued any Equity Shares at a price that may be lower than the Issue Price during a period of one year preceding the date of this Draft Red Herring Prospectus.

S.no	Name of the Allottee	Date of allotment	No. of Equity Shares	Issue Price (₹)	Reason
1.	Govind Gadgil, Renu Gadgil, Amit Modak, Satish Kuber, Shrikant Kuber, Sunil Pathak, Prafulla Wagh and Niranjana Deole.	November 6, 2017	18,006,600	10	Initial subscription to the Memorandum of Association
2.	Govind Gadgil, Renu Gadgil, Amit Modak, Satish Kuber, Shrikant Kuber, Sunil Pathak, Prafulla Wagh and Niranjana Deole.	March 4, 2018	2,000,739	350	Rights issue
3.	61 allottees	March 30, 2018	255,000	350	Preferential allotment
4.	64 allottees	April 23, 2018	13,508,260	N.A.	Bonus issue

5. Issue of Equity Shares in the last two years

For details of issue of Equity Shares by our Company in the two immediately preceding years, see “- Capital Structure - Share Capital History of our Company” on page 67.

6. History of the Equity Share Capital held by the Promoters

As on the date of this Draft Red Herring Prospectus, our Promoters hold 33,333,335 Equity Shares, equivalent to 98.71% of the issued, subscribed and paid-up Equity Share capital of our Company.

• Build-up of the Promoters' shareholding in our Company

The build-up of the Equity Shareholding of our Promoters since incorporation of our Company is set forth in the table below.

Govind Gadgil

Date of Allotment	Nature of transaction	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue Price/ Transfer Price per Equity Share (₹)	Percentage of the pre-Issue capital (%)	Percentage of the post-Issue capital (%)
November 6, 2017	Initial subscription to the MoA	10,000,000	Other than cash, pursuant to conversion of M/s P.N. Gadgil & Sons into our Company under Part I of Chapter XXI of the Companies Act	10	10	29.61	[●]
March 4, 2018	Rights Issue	1,111,112	Cash	10	350	3.29	[●]
April 23, 2018	Bonus Issue	7,407,408	Other than Cash	10	N.A.	21.93	[●]
TOTAL		18,518,520				54.84	[●]

Renu Gadgil

Date of Allotment	Nature of transaction	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue Price/ Transfer Price per Equity Share (₹)	Percentage of the pre-Issue capital (%)	Percentage of the post-Issue capital (%)
November 6, 2017	Initial subscription to the MoA	8,000,000	Other than cash, pursuant to conversion of M/s P. N. Gadgil & Sons into our Company under Part I of Chapter XXI of the Companies Act	10	10	23.69	[●]
March 4, 2018	Rights Issue	888,889	Cash	10	350	2.63	[●]
April 23, 2018	Bonus Issue	5,925,926	Other than Cash	10	N.A.	17.55	[●]
TOTAL		14,814,815				43.87	[●]

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

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

None of our Promoters have undertaken any sale of Equity Shares of our Company since incorporation.

- The details of the Shareholding of our Promoters as on the date of filing of this Draft Red Herring Prospectus are set forth in the table below.

S. No.	Name of the Shareholder	Pre-Issue		Post-Issue	
		No. of Equity Shares	% of total Share-holding	No. of Equity Shares	% of total Share-holding
Promoters					
1.	Govind Gadgil	18,518,520	54.84	[●]	[●]
2.	Renu Gadgil	14,814,815	43.87	[●]	[●]
	Total (A)	33,333,335	98.71	[●]	[●]

- *Details of Promoters' contribution and lock-in:*

- Pursuant to Regulations 32 and 36 of the SEBI ICDR Regulations, an aggregate of 20% of the post-Issue Equity Share capital of our Company held by the Promoters shall be locked in for a period of three years from the date of Allotment ("**Promoters' Contribution**"), and the Promoters' shareholding in excess of 20% of the post-Issue Equity Share capital shall be locked in for a period of one year from the date of Allotment.
- The lock-in of the Promoters' Contribution would be created as per applicable law and procedures and details of the same shall also be provided to the Stock Exchanges before the listing of the Equity Shares.
- Our Promoters have consented to the inclusion of such number of Equity Shares held by them, in aggregate, as may constitute 20% of the post-Issue Equity Share capital of our Company as Promoters' Contribution and have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Promoters' Contribution from the date of filing of this Draft Red Herring Prospectus, until the commencement of the lock-in period specified above, or for such other time as required under the SEBI ICDR Regulations. Details of the Equity Shares to be locked-in for three years as minimum promoters' contribution are set forth in the table below:

Name of the Promoter	Date of allotment of the Equity Shares	Date of transaction and when made fully paid-up	Nature of transaction	No. of Equity Shares	Face Value (₹)	Issue/ acquisition price per Equity Share (₹) and nature of consideration	No. of Equity Shares locked-in	Percentage of the post-Issue paid-up capital (%)
Govind Gadgil	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Renu Gadgil	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Total							[•]	[•]

The Promoters have confirmed that the Promoter's contribution has been financed from their personal funds and no loans or financial assistance from any bank or financial institutions has been availed for this purpose

- The minimum Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as 'promoter' under the SEBI ICDR Regulations.
- Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoters' Contribution in terms of Regulation 33 of the SEBI ICDR Regulations. In this connection, we confirm the following:
 - The Equity Shares offered for Promoters' Contribution do not include Equity Shares acquired in the three immediately preceding years: (a) for consideration other than cash, and revaluation of assets or capitalisation of intangible assets; or (b) bonus shares out of revaluation reserves or unrealised profits of our Company or bonus shares issued against Equity Shares, which are otherwise ineligible for computation of Promoter's Contribution;
 - The Equity Shares offered for Promoters' Contribution have been allotted to our Promoters

against capital existing in the Erstwhile Partnership Firm which was held for a period of more than one year on a continuous basis; and

- (c) The Equity Shares forming part of the Promoter's contribution are not subject to any pledge or any form of encumbrance.

18,000,000 Equity Shares held by our Promoters are dematerialized. Balance Equity Shares held by the Promoters and other members of our Promoter Group shall be dematerialised prior to filing of the Red Herring Prospectus with SEBI.

- *Other lock-in requirements:*

- (i) In addition to the 20% of the post-Issue shareholding of our Company held by the Promoters and locked in for three years as specified above, the entire pre-Issue Equity Share capital of our Company will be locked-in for a period of one year from the date of Allotment.
- (ii) The Equity Shares held by the Promoters, which are locked-in may be transferred to and among the other Promoters and the members of the Promoter Group or to any new promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Regulations, as applicable.
- (iii) Pursuant to Regulation 39(a) of the SEBI ICDR Regulations, the Equity Shares held by our Promoters, which are locked-in for a period of three years from the date of Allotment may till such time that they are locked-in, be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such loans have been granted by such bank or institution for the purpose of financing one or more of the objects of the Issue and pledge of the Equity Shares is a term of sanction of such loans.
- (iv) Pursuant to Regulation 39(b) of the SEBI ICDR Regulations, the Equity Shares held by our Promoter which are locked-in for a period of one year from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans.
- (v) The Equity Shares held by persons other than our Promoters and locked-in for a period of one year from the date of Allotment in the Issue may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Regulations.
- (vi) Any Equity Shares Allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

7. **Shareholding Pattern of our Company**

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

Category (I)	Category of Shareholder (II)	No. of Shareholders (III)	No. of fully paid up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of shares underlying depository receipts (VI)	Total No. of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Equity Shares underlying outstanding convertible securities (including warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted Equity Share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	No. of locked in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		No. of Equity Shares held in dematerialized form* (XIV)
								No of Voting Rights					No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
								Class (Equity)	Total	Total as a % of (A+B+C)							
(A)	Promoter and Promoter Group	6	33,371,670	-	-	33,371,670	98.82	33,371,670	33,371,670	98.82	-	98.82	-	-	-	-	18,000,000
(B)	Public	58	398,929	-	-	398,929	1.18	398,929	398,929	1.18	-	1.18	-	-	-	-	-
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	64	33,770,599	-	-	33,770,599	100.00	33,770,599	33,770,599	100.00	-	100.00	-	-	-	-	18,000,000

* 18,000,000 Equity Shares held by our Promoters are dematerialized. Balance Equity Shares held by the Promoters and other members of our Promoter Group shall be dematerialised prior to filing of the Red Herring Prospectus with SEBI.

Our Company will file the shareholding pattern, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one day prior to the listing of the Equity Shares. The shareholding pattern will be provided to the Stock Exchanges for uploading on the website of Stock Exchanges before the commencement of trading of the Equity Shares.

8. **Details of Equity Shareholding of the 10 largest Shareholders of our Company**

- (a) The 10 largest Equity Shareholders and the number of Equity Shares held by them as on the date of filing of this Draft Red Herring Prospectus is set forth in the table below.

No.	Name of the Shareholder	No. of Equity Shares	Pre-Issue Equity Share Capital (%)
1.	Govind Gadgil	18,518,520	54.84
2.	Renu Gadgil	14,814,815	43.87
3.	Amit Modak	55,372	0.16
4.	Arundhati Gadgil	26,667	0.08
5.	Ganesh Gadgil	26,667	0.08
6.	Anjali Gadgil	25,000	0.07
7.	Satish Kuber	18,705	0.06
8.	Shrikant Kuber	18,705	0.06
9.	Prafulla Wagh	18,705	0.06
10.	Vasudeo Gadgil	16,667	0.05
	Total	33,539,823	99.32

- (b) The 10 largest Equity Shareholders and the number of Equity Shares held by them 10 days prior to the date of filing of this Draft Red Herring Prospectus is set forth in the table below.

No.	Name of the Shareholder	No. of Equity Shares	Pre-Issue Equity Share Capital (%)
1.	Govind Gadgil	18,518,520	54.84
2.	Renu Gadgil	14,814,815	43.87
3.	Amit Modak	55,372	0.16
4.	Arundhati Gadgil	26,667	0.08
5.	Ganesh Gadgil	26,667	0.08
6.	Anjali Gadgil	25,000	0.07
7.	Satish Kuber	18,705	0.06
8.	Shrikant Kuber	18,705	0.06
9.	Prafulla Wagh	18,705	0.06
10.	Vasudeo Gadgil	16,667	0.05
	Total	33,539,823	99.32

- (c) Our Company was incorporated on November 6, 2017. Hence, there were no shareholders two years prior to the date of this DRHP.

9. **Details of Equity Shares held by our Directors and Key Management Personnel of our Company**

Details of the Equity Shares held by our Directors and Key Management Personnel in our Company as on the date of this Draft Red Herring Prospectus are set forth in the table below.

No.	Name	No. of Equity Shares	Pre-Issue share capital (%)	Post-Issue share capital (%)
1.	Govind Gadgil	18,518,520	54.84	[●]
2.	Renu Gadgil	14,814,815	43.87	[●]
3.	Amit Modak	55,372	0.16	[●]
4.	Udaya Kalkundrikar	3,334	0.01	[●]
5.	Aditya Modak	6,667	0.02	[●]

10. As on the date of this Draft Red Herring Prospectus, the BRLMs and their respective associates (as defined under the Companies Act) do not hold any Equity Shares of our Company. The BRLMs and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.

11. **Employee Stock Option Plan**

As on date of this Draft Red Herring Prospectus, our Company has instituted one employee stock option scheme. The details of the ESOP are as under:

Particular	Details			
Options Granted	Financial Year	Date of Grant	No. of Options Granted	Price per Equity Share (₹)
	Grant I			
	Fiscal 2018	April 18, 2018	230,000	210
	Total Options Granted	April 18, 2018	230,000	210
Pricing Formula	Fair Market Value			
Vesting Period	Not less than 1 year and not more than 7 years from the date of Grant.			
Options vested and not exercised	NA			
Options exercised	NA			
The total number of Equity Shares arising as a result of exercise of options	NA			
Options forfeited / lapsed / cancelled	NA			
Variation of terms of options	NA			
Money realized by exercise of options	NA			
Total number of options in force	230,000			
(i) Employee wise details of options granted to Directors / Key Management Personnel	Name of Company's Director		No. of options granted under ESOP Scheme	
	Amit Modak		6,000	
	Name of the Key Management Personnel		No. of options granted under ESOP Scheme	
	Aditya Modak		6,000	
	Purva Mehra		6,000	
	Avanti Gulavani		6,000	
(ii) Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year	Name of the Employee		No. of options granted under ESOP Scheme	
	NA		NA	
	NA		NA	
	NA		NA	
(iii) Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding	Name of Identified Employee		No. of Options granted	
	NA		NA	
	NA		NA	
	NA		NA	

Particular	Details	
warrants and conversions) of our Company at the time of grant	NA	NA
Fully diluted EPS pursuant to issue of shares on exercise of options in accordance with the relevant accounting standard	Particulars	March 31, 2018
	Profit after tax as reported (Rs. in Million)	NA
Difference, if any, between employee compensation cost calculated according using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and impact on the profits of our Company and on the EPS arising due to difference in accounting treatment and for calculation of the employee compensation cost (i.e. difference of the fair value of stock options over the intrinsic value of the stock options)	Particulars	March 31, 2018
	Profit after tax as reported (Rs. in Million)	NA
	Add:- ESOP cost using the intrinsic value method	NA
	Less:- ESOP cost using the fair value method	NA
	Proforma profit after tax	NA
	Earnings per share of the considering bonus issue	NA
	Basic	NA
	As reported	NA
	Diluted	NA
	As reported	NA
Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock	NIL	
Description of the method and significant assumptions used to estimate the fair value of options granted during the year		
Grant I		
Method used	Equity Settled	
Risk free interest rate	7.33% Yield to Maturity on Government Bonds	
Weighted average share price	210	
Exercise price	210	
Expected life of options granted	Minimum vesting period or ½ of exercise period whichever is higher	
Expected Volatility	Since unlisted (0.001%) listing expected volatility	
Intention of the holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Issue	None	

Particular	Details
Intention to sell Equity Shares arising out of the PNG Employees Stock Option Plan 2018 within three months after the listing of Equity Shares by Directors, Key Management Personnel and employees having Equity Shares arising out of the PNG Employees Stock Option Plan 2018 amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions), which inter alia shall include name, designation and quantum of the equity shares issued under the PNG Employees Stock Option Plan 2018 and the quantum they intend to sell within 3 months.	None

12. Our Company has not made any public issue of any kind or class of securities since its incorporation. On March 4, 2018, our Company has allotted 2,000,739 Equity Shares pursuant to a rights issue.
13. Except as mentioned in the 'Note 1 – *Share Capital History of our Company*' as mentioned above, none of the members of the Promoter Group, the Promoters, or the Directors and their immediate relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus with the SEBI.
14. As on the date of the filing of this Draft Red Herring Prospectus, the total number of our Shareholders are 64.
15. Neither the Company, nor the Directors have entered into any buy-back, safety net and/or standby arrangements for purchase of Equity Shares from any person. Further, the BRLMs have also not entered into any buy-back, safety net and/or standby arrangements for purchase of Equity Shares from any person.
16. All Equity Shares are fully paid-up as on the date of this Draft Red Herring Prospectus and the Equity Shares issued pursuant to this Issue shall be fully paid-up at the time of Allotment, failing which no Allotment shall be made.
17. A Bidder cannot make a Bid for more than the number of Equity Shares offered in the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
18. Any oversubscription to the extent of 10% of the Issue can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot. Consequently, the Allotment may increase by a maximum of 10% of this Issue, as a result of which the post-Issue paid-up capital would also increase by the excess amount of Allotment so made. In such an event, the Equity Shares to be locked-in towards the Promoters' Contribution shall be suitably increased, so as to ensure that 20% of the post-Issue paid-up capital is locked-in.
19. There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company, other than in the normal course of business of the financing entity during a period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.
20. Our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares,

or by way of further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares), whether on a preferential basis, or by way of issue of bonus Equity Shares, or on a rights basis, or by way of further public issue of Equity Shares, or qualified institutions placement, or otherwise. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.

21. In terms of Rule 19(2)(b) of the SCRR, read with Regulation 41 of the SEBI ICDR Regulations and in accordance with Regulation 26(1) of the SEBI ICDR Regulations, this Issue is being made through the Book Building Process, wherein not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations subject to valid Bids being received at or above the Issue Price.
22. Up to [●] Equity Shares shall be offered for allocation and Allotment to Eligible Employees in the Employee Reservation Portion. Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹ 500,000 (which shall be less the Employee Discount). However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹ 200,000 (which shall be less the Employee Discount). In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000 (which shall be less the Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation over ₹ 200,000), shall be added to the Net Issue. In the event of under-subscription in the Net Issue, spill over to the extent of under-subscription shall be allowed from the Employee Reservation Portion to the Net Issue.
23. Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category, except in the QIB Portion, 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 BRLMs and the Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws.
24. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
25. Our Company shall comply with such disclosure and accounting norms as may be specified by the SEBI from time to time.
26. Our Promoters, members of our Promoter Group and Group Company will not participate in the Issue.
27. Except for Employee Discount, no payment, direct or indirect in the nature of discount, commission and allowance or otherwise shall be made either by us or our Promoters to the persons who are Allotted Equity Shares.
28. 18,000,000 Equity Shares held by our Promoters are dematerialized. Balance Equity Shares held by the Promoters and other members of our Promoter Group shall be dematerialised prior to filing of the Red Herring Prospectus with SEBI.
29. Our Company has not raised any bridge loans against the Net Proceeds.

30. Our Company shall ensure that transactions in the Equity Shares by our Promoter and the Promoter Group between the date of filing of the Red Herring Prospectus with RoC and the date of closure of the Issue shall be intimated to the Stock Exchanges within 24 hours of such transaction.
31. No person connected with the Issue, including, but not limited to, the BRLMs, the members of the Syndicate, our Company, the Directors, the Promoters, members of the Promoter Group, and Group Company, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid. Further, no payment, direct or indirect benefit in the nature of discount, except for Employee Discount, if any, commission and allowance or otherwise shall be offered or paid either by our Company or our Promoters or our Promoter Group to any person in connection with making an application for or receiving any Equity Shares pursuant to this Issue, except for any underwriting commission payable to the Syndicate Members in terms of the Underwriting Agreement.
32. Except for ESOPs, our Company has no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.
33. No further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue, conversion of convertible instruments or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus with SEBI until the Equity Shares to be issued pursuant to the Issue have been listed on the Stock Exchanges.

OBJECTS OF THE ISSUE

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

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

- (a) To finance establishment of proposed new stores;
 - (b) Repayment/ prepayment of certain indebtedness; and
 - (c) General corporate purposes
- (collectively, referred to herein as the “**Objects**”).

Further, our Company expects that the listing of the Equity Shares will enhance our visibility and our brand image among our existing and potential customers.

The main objects clause of our Memorandum of Association enables us to undertake the activities for which the funds are being raised by us in the Issue. Further, the activities we have been carrying out until now are in accordance with the main objects clause of our Memorandum of Association.

Net Proceeds

The details of the Net Proceeds are set forth in the table below:

(₹ in million)	
Particulars	Amount ⁽¹⁾
Gross Proceeds of the Issue	5,000
(Less) Issue related expenses [#]	[●]
Net Proceeds	[●]

[#]To be finalised upon determination of the Issue Price.

Requirement of funds and utilisation of Net Proceeds

The Net Proceeds are proposed to be used in accordance with the details provided in the following table:

(₹ in million)		
S. No.	Object	Amount proposed to be utilised
(a)	To finance establishment of proposed new stores	2,557.40
(b)	Repayment/ prepayment of certain indebtedness	1,120.00
(c)	General corporate purposes [*]	[●]
Total^{**}		[●]

^{*}The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

^{**}To be determined on finalisation of the Issue Price and updated in the Prospectus prior to the filing with the Registrar of Companies.

The above fund requirements are based on our internal management estimates, current circumstances of our business and prevailing market conditions and have not been appraised by any bank, financial institution or any other external agency.

Proposed schedule of implementation and deployment of the Net Proceeds

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(₹ in million)

S. No.	Object	Total estimated fund requirement to be funded from Net Proceeds	Estimated schedule of deployment of Net Proceeds**	
			Fiscal 2019	Fiscal 2020
1.	To finance establishment of proposed new stores	2,557.40	669.80	1,887.60
2.	Repayment/ prepayment of certain indebtedness	1,120.00	1,120.00	-
3.	General corporate purposes*	[●]	[●]	-
Total**		[●]	[●]	1,887.60

* The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

** To be determined on finalisation of the Issue Price and updated in the Prospectus prior to the filing with the Registrar of Companies.

As indicated above, our Company proposes to deploy the entire Net Proceeds towards the Objects as described herein during Fiscals 2019 and 2020. In the event of the estimated utilization of the Net Proceeds in the scheduled Fiscal is not undertaken in its entirety, the remaining Net Proceeds shall be utilized in subsequent Fiscals, as may be decided by our Company, in accordance with applicable laws. Further, if the Net Proceeds are not completely utilised for the Objects during the respective period stated above due to factors such as (i) economic and business conditions; (ii) timely completion of the Issue; (iii) market conditions outside the control of our Company; and (iv) any other commercial considerations, the remaining Net Proceeds shall be utilised (in part or full) in subsequent periods as may be determined by our Company in accordance with applicable laws. Similarly, subject to our business considerations, our Company may also use the Net Proceeds in the preceding Fiscal, if it is in the best interests of our Company.

The requirement and deployment of funds indicated above is based on internal management estimates, current circumstances of our business and prevailing market conditions. The requirement and deployment of funds described herein has not been verified by the BRLMs nor have the Object been appraised by any bank or financial institution. We may have to revise our funding requirements and deployment from time to time on account of various factors, such as, change in cost of commodities and other material, financial and market conditions, business and strategy and interest/exchange rate fluctuations or other external factors, which may not be within the control of our management. This may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of our management, subject to compliance with applicable law. Further, given the nature of these borrowings and the terms of repayment, the aggregate outstanding amounts under these loans may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay some of its existing borrowings prior to Allotment. For details, see “*Risk Factors – The Objects of the Issue are not being appraised.*” on page 24.

In case of any surplus after utilization of the Net Proceeds for the stated objects, we may use such surplus towards general corporate purposes. Further, in case of variations in the actual utilisation of funds earmarked for the Objects set forth above, then any increased fund requirements for a particular object may be financed by surplus funds, if any, available in respect of the other objects for which funds are being raised in this Issue. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the Objects, we may explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls.

Details of the Objects

The details in relation to Objects are set forth below:

1. To finance establishment of proposed new stores

We intend to deploy ₹ 2,557.40 million for establishing 15 proposed new retail stores at 15 locations in Maharashtra and/ or adjoining states. Except for premises at Shirdi for which we have already entered into a lease arrangement, the premises for the proposed new stores are expected to be leased by us.

1A. Estimated cost of establishment and deployment of funds

The Net Proceeds will be utilized towards capital expenditure and cost of finished products to be stocked in such proposed new stores; which we expect to be the primary costs to be incurred in setting up of the proposed new stores.

The estimated cost of capital expenditure for our proposed new stores to be opened in FY 2019 is as follows:

S. No.	Location	Expected period of establishment of stores in Fiscal 2019	Format of the store	Total estimated capital expenditure (₹ in million)
1.	Shirdi	Quarter 3	Small	11.20
2.	Phaltan	Quarter 3	Small	11.20
3.	Badlapur/Dombivali	Quarter 4	Medium	18.10
4.	Pune Suburbs	Quarter 4	Medium	18.10
Total				58.60

The estimated cost of capital expenditure for our proposed new stores to be opened in FY 2020 is as follows:

S. No.	Number of locations (A)	Format of the store	Per store total estimated capital expenditure (₹ in million) (B)	Total estimated capital expenditure (₹ in million) (C)=(A)*(B)
1.	Nine (9)	Small	11.20	100.80
2.	Two (2)	Large	53.00	106.00
Total				206.80

Methodology for computation of estimated capital expenditure*

The details of the estimated capital expenditure towards establishment of the aforesaid proposed new stores, have been set forth in the table below:

Sr. No.	Particulars	Format	Estimated Cost (in Rs.)
1.	Furniture, Fixtures, Fittings & Civil Finishing	Small	5,500 per sq. ft.
		Medium	5,500 per sq. ft.
		Large	8,000 per sq. ft.
2.	Air Conditioning (Equipment, fitting, piping and ducting)	Small	13,00,000 per store
		Medium	13,25,000 per store
		Large	31,00,000 per store
3.	Weighing Scale and Office Equipment (including computer systems)	Small	7,00,000 per store
		Medium	7,00,000 per store
		Large	15,00,000 per store
4.	Generator (32 KV to 40 KV, 42 HP to 56 HP)	Small	4,00,000 per store
		Medium	4,00,000 per store
		Large	4,00,000 per store

* Based on certificate received from Vidyasagar Jadhav (membership No. CA/86/9937), an independent architect, vide his certificate dated April 28, 2018

Notes: For providing the estimates, the independent architect has assumed the following:

1. Average area of a small format store has been assumed to be 1,600.00 sq. ft. of built-up area, which is an average of 1,000.00 sq. ft. and 2,200 sq. ft
2. Average area of a medium format store has been assumed to be 2,850.00 sq. ft. of built-up area, which is an average of 2,200.00 sq. ft. and 3,500.00 sq. ft
3. Average area of a large format store has been assumed to be 6,000.00 sq. ft. of built-up area.

The proposed locations and areas of our proposed new stores are based on our business plan in line with our business strategy of expanding our base in Maharashtra and/or adjoining states. We are in the process of identifying and finalizing the specific locations for our proposed new stores in FY 2019 and 2020. Except for the proposed new store to be opened in Q3 of FY 2019 at Shirdi, we have not entered into definitive agreement or executed any letters of intent for leasing any such proposed new stores.

1B. Estimated cost of finished products to be stocked in the proposed new stores

As part of our business strategy, in order to offer a wide range of jewellery products, we are required to stock all our stores with sufficient jewellery.

As on March 31, 2018, the total inventory held by us across our 25 existing stores was ₹ 3,819.99 million which averages to approximately ₹ 152.80 million per store. We are proposing to set up 15 new stores, and assuming a similar average of inventory requirement, we estimate that the total cost of finished products required for setting up proposed new stores will be ₹ 2,292.00 million. The cost of finished products proposed to be stocked in each of our proposed new stores may differ based on our management's internal estimates as per our business plan, stock rotation, city and location, format of a particular stores, competition, merchandize mix (based on expected demand and regional preferences) and general demographics of the market. We may stock our stores with additional finished products as and when required.

The aggregate cost of the establishment of the proposed new stores is tabulated as under:

Sr. No.	Particulars	Amount (₹ million)
1A.	Total estimated capital expenditure to be incurred for setting up of proposed new stores	265.40
1B.	Total estimated cost of finished products to be stocked in the proposed new stores	2,292.00
Total		2,557.40

2. Pre-payment and/or repayment, in full or part, of certain secured borrowings availed by our Company

We enter into various financing arrangements from time to time, with banks and other financial institutions. Our borrowing arrangements are typically in the form of secured long-term and short-term loans, and working capital facilities, including cash credit facilities. For details of our financing arrangements, including related terms and conditions, see “Financial Indebtedness” and “Financial Information” on pages 246 and 162, respectively.

The following table provides details of the secured borrowings availed by us as at March 31, 2018, out of which we propose to repay, and/or pre-pay, in full or part, the below mentioned secured borrowings, up to an amount aggregating to ₹1,120 million from the Net Proceeds:

(₹ in million)

S. N o.	Name of lender	Nature of borrowing	Date of the sanction letter/ document	Purpose	Rate of Interest	Amount sanctioned as on March 31, 2018	Amount outstanding as on March 31, 2018	Repayment date/ schedule	Pre-payment penalty
1.	Bank of Baroda	Cash credit	November 21, 2016	Working capital requirements	1.6% over MCLR** + 0.25% Strategic risk premium	500.00	148.86	Repayable on demand and is subject to annual renewal	If average utilization is below 60% of limit, charges @ 0.50% p.a. of unutilized portion.
2.	Shamrao	Cash credit	October 3, 2017	NA	8.50 % below	400.00	368.12	Repayable on	3% on the

S. N o.	Name of lender	Nature of borrowing	Date of the sanction letter/ document	Purpose	Rate of Interest	Amount sanctioned as on March 31, 2018	Amount outstanding as on March 31, 2018	Repayment date/schedule	Pre-payment penalty
	Vitthal Bank				PLR*			demand and is subject to annual renewal	outstanding balance in account or sanctioned limit whichever is higher.
3.	Shamrao Vitthal Bank	Term loan	June 1, 2016	NA	7.90 % below PLR*	275.00	219.45	Repayable in 84 equated monthly installments	3% on the balance outstanding.
4.	Shamrao Vitthal Bank	Demand loan	October 3, 2017	NA	9.00% below PLR*	200.00	201.44	Rolled over every 12 months	3% on the outstanding balance in account or sanctioned limit whichever is higher.
5.	Federal Bank Limited	Working capital demand loan and cash credit (interchangeable)	December 14, 2017	NA	0.40 % over one year MCLR**	100.00	100.61	Repayable in 12 months whereas maximum tenor permitted for 1 tranche of WCCL is 180 days	2% on the balance outstanding or sanction limit whichever is higher.
6.	HDFC Bank Limited	Term loan	January 8, 2018	For repayment against quasi equity which was used for capex	0.40 % over one year MCLR**	250.00	251.80	2 years with 6 month Moratorium period	NA
7.	Federal Bank Limited	Over draft (with diminishing drawing power)	February 14, 2018	NA	7.65% p.a	100.00	100.00	3 Years	Nil
8.	Federal Bank Limited	Over draft (with diminishing drawing power)	December 14, 2017	NA	0.40 % over one year MCLR**	150.00	143.86	5 Years	2% on the balance outstanding or sanction

S. N o.	Name of lender	Nature of borrowing	Date of the sanction letter/ document	Purpose	Rate of Interest	Amount sanctioned as on March 31, 2018	Amount outstanding as on March 31, 2018	Repayment date/schedule	Pre-payment penalty
									limit whichever is higher.
9.	Shamrao Vitthal Bank	Demand loan	October 3, 2017	NA	9.00% below PLR*	150.00	151.08	Rolled over every 12 months	3% on the outstanding balance in account or sanctioned limit whichever is higher.
10.	HDFC Bank Limited	Working capital demand loan (interchangeable)	November 24, 2015	NA	10.40%	800.00	603.92	Repayable within - minimum 15 Days - maximum 180 days	NA
11.	YES Bank Limited	Working capital demand loan	June 9, 2017	NA	Interest to be decided at the time of disbursement	300.00	301.96	Repayable in 12 months	Nil
Total Amount Outstanding as on March 31, 2018							2,591.11		

*PLR - Prime Lending Rate

**MCLR – Marginal Cost of funds based Lending Rate

Our Statutory Auditors vide their certificate dated May 4, 2018 have confirmed that the Company has utilized the above-mentioned facilities for the purposes for which they were raised.

The selection of borrowings proposed to be repaid and/or pre-paid, in full or part, shall be based on various factors including: (i) any conditions attached to the loans restricting our ability to prepay the loans and time taken to fulfil such requirements; (ii) provisions of any law, rules, regulations and contracts governing such borrowings; and (iii) other commercial considerations including, the interest rate on the loan facility, the amount of the loan outstanding and the remaining tenor of the loan. Some of the financing documents do not expressly set out the pre-payment charges/penalties, however, our lenders may levy certain penalties or charges in case of pre-payment of borrowings. Our Company will take such factors into consideration while deciding the secured borrowings to be repaid and /or pre-paid, in full or part, from the Net Proceeds.

In the event that the Net Proceeds are insufficient for such pre-payment penalty, the payment shall be made from the existing internal accruals of our Company. We may also be required to provide notice to some of our lenders prior to pre-payment.

The repayment and/or pre-payment will help reduce our outstanding indebtedness, assist us in maintaining a favourable debt-equity ratio and enable utilisation of our internal accruals for further investment in business growth and expansion. In addition, we believe that since the debt-equity ratio of our Company will improve significantly it will enable us to raise further resources in the future to fund potential business development opportunities and plans to grow and expand our business in the future.

3. General Corporate Purpose

Our Company proposes to deploy the balance Net Proceeds towards general corporate purposes, subject to such utilization not exceeding 25% of the Gross Proceeds in compliance with SEBI ICDR Regulations.

Our Board will have flexibility in utilizing the balance Net Proceeds towards general corporate purposes, including but not limited to setting-up of stores, repayment/prepayment of loans, strategic initiatives, meeting any expense of our Company incurred in the ordinary course of business and towards any exigencies, and any other purpose as may be approved by our Board in accordance with applicable laws. The quantum of utilization of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company from time to time. Our Company's management, in accordance with the policies of our Board, shall have flexibility in utilizing surplus amounts, if any. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Financial Year, we will utilize such unutilized amount in the next Financial Year.

Issue Related Expenses

The total Issue related expenses are estimated to be approximately ₹[●] million. The Issue related expenses consist of listing fees, fees payable to the BRLMs, legal counsels, Registrar to the Issue, Banker to the Issue including processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, SCSBs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges. The break-up for the estimated Issue expenses are as follows:

Activity	Estimated expenses ⁽¹⁾ (₹ in million)	As a % of total estimated Issue related expenses ⁽¹⁾	As a % of Issue size ⁽¹⁾
BRLMs fees and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Selling commission and processing/uploading charges for Syndicate Members, SCSBs, Registered Brokers, RTAs and CDPs ⁽²⁾	[●]	[●]	[●]
Fees payable to Registrar to the Issue	[●]	[●]	[●]
Others:			
(i) Listing fees;	[●]	[●]	[●]
(ii) SEBI, BSE and NSE processing fees and other regulatory expenses			
(iii) Fees payable to legal counsels	[●]	[●]	[●]
(iv) Printing and stationery expenses	[●]	[●]	[●]
(v) Advertising and marketing expenses	[●]	[●]	[●]
(vi) Miscellaneous	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

(1) Amounts will be finalised at the time of filing the Prospectus and on determination of Issue Price and other details.

(2) Shall be finalized prior to filing of the Red Herring Prospectus

Means of finance

The fund requirements set out for the Objects of the Issue are proposed to be met entirely from the Net Proceeds and our internal accruals. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue as required under SEBI ICDR Regulations.

Interim use of Net Proceeds

The Net Proceeds of the Issue pending utilisation for the purposes stated in this section, shall be deposited only in scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Bridge financing facilities

Our Company has not raised any bridge loans from any banks or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds. However, depending upon business requirements, our Company may consider raising bridge financing facilities including by way of any other short-term instrument, pending receipt of the Net Proceeds.

Monitoring of utilization of funds

Our Company shall appoint a monitoring agency prior to the filing of the Red Herring Prospectus in accordance with the SEBI ICDR Regulations. The relevant details will be included in the RHP. The monitoring agency shall submit its report to our Company in the format specified in Schedule IX of the SEBI ICDR Regulations on a quarterly basis, till at least 95.00% of the Net Proceeds, excluding the amount raised for general corporate purposes, have been utilised. Our Board and our management shall provide their comments on such report of the monitoring agency. Our Company shall thereafter, within 45 days from the end of each quarter, publicly disseminate the report of the monitoring agency by uploading the same on our website as well as submitting the same to the Stock Exchanges.

Pursuant to the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee, the uses and applications of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement will be certified by the Statutory Auditors of our Company.

Further, in accordance with the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges, on a quarterly basis, a statement indicating (i) material deviations, if any, in the utilisation of the Net Proceeds from the Objects as stated above; and (ii) details of category wise variations in the utilisation of the Net Proceeds from the Objects as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results after placing the same before the Audit Committee. In the event of any deviation in the use of Net Proceeds from the Objects, as stated above, our Company shall intimate the same to the Stock Exchanges without delay. We will disclose the utilization of the Net Proceeds under a separate head along with details in our balance sheet(s) until such time as the Net Proceeds remain unutilized clearly specifying the purpose for which such Net Proceeds have been utilized.

Any such change / deviation in the use of Net Proceeds from the Objects mentioned hereinabove, if any, shall be made as per the applicable laws and regulations.

Appraising agency

None of the Objects for which the Net Proceeds will be utilized have been appraised by any agency.

Other confirmations

There are no material existing or anticipated transactions in relation to the utilization of the Net Proceeds with our Promoters, Directors, Key Management Personnel and the members of our Promoter Group or Group Company. Accordingly, no part of the Net Proceeds will be paid by our Company as consideration to our Promoters, Directors, Key Management Personnel and the members of our Promoter Group or Group Company.

Variation in Objects

In accordance with Section 13(8) and 27 of the Companies Act, 2013 and the applicable rules, our Company shall not vary any of the Objects without the Company being authorised to do so by the Shareholders by way of a special resolution undertaken by postal ballot. In addition, the notice issued to the shareholders in relation to the passing of such special resolution (the “**Shareholders’ Notice**”) shall specify the prescribed details and be published in accordance with the Companies Act, 2013 and applicable rules. The Shareholders’ Notice issued to the shareholders shall simultaneously be published in the newspapers, one in English and one Marathi newspaper (Marathi being the vernacular language in the city where the Registered and Corporate Office of our Company is situated). Pursuant to the Companies Act, 2013, the Promoters or controlling Shareholders will be required to provide an exit offer to any Shareholder who does not agree to such proposal to vary the objects of the Issue in accordance with the articles of association, and in accordance with, and subject to, Chapter VI-A of the SEBI ICDR Regulations.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares issued through the Book Building Process in the Issue and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should also refer to “Our Business”, “Risk Factors”, “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 119, 17, 162 and 248, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors which form the basis for computing the Issue Price are:

1. Long history, established brand name and transparent processes
2. Network of strategically located stores
3. Diversified product portfolio
4. Strong understanding of customer preferences
5. Effective internal control and processes
6. Experienced Promoters supported by senior management team

For details, see “Our Business – Our Strengths” on page 120.

Quantitative Factors

The information presented below relating to our Company is based on the Restated Financial Information. For details, see “Financial Information” on page 162.

Our Company was incorporated as a conversion from the Erstwhile Partnership Firm to a public limited company and received a certificate of incorporation dated November 6, 2017. Our Company was converted with a Paid-up Equity Share Capital of ₹ 180,066,000 divided into 18,006,600 Equity Shares of ₹ 10 each. Since, the status of the Company prior to November 6, 2017 was that of a partnership firm, therefore, the EPS and NAV per Equity Share for all the Fiscals has been calculated by considering the number of Equity Shares outstanding post conversion of the Erstwhile Partnership Firm into the Company.

Notes: The accounting ratios shown below are after taking into account the impact of the following corporate action completed post March 31, 2018:

- (i) Pursuant to the shareholders resolution dated April 18, 2018, 13,508,260 Equity Shares were allotted to 64 allottees in the proportion of two Equity Shares each for every three existing fully paid Equity Shares held by the Shareholders.

Some of the quantitative factors which may form the basis for calculating the Issue Price are as follows:

I. Basic and Diluted Earnings per Share (“EPS”) (Face value of ₹ 10 each)

Financial Period	Basic EPS (₹)	Diluted EPS (₹)	Weight
Fiscal 2018	19.02	19.02	3
Fiscal 2017	16.07	16.07	2
Fiscal 2016	11.72	11.72	1
Weighted Average	16.82	16.82	

$$\text{Basic earnings per share (₹)} = \frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted average number of equity shares}}$$

$$\text{Diluted earnings per share (₹)} = \frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted average number of dilutive equity shares}}$$

Notes:

- (1) Basic and diluted earnings per Equity Share are computed in accordance with Indian Accounting Standard 33 ‘Earnings per Share’, notified accounting standard by the Companies (Indian Accounting Standards) Rules of 2015 (as amended).
- (2) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total

number of days during the year.

Pursuant to the issue of 1,35,08,260 bonus equity shares on April 23, 2018 the weighted average numbers of equity shares and consequently the basic and diluted earnings per share have been adjusted.

- (3) The Company does not have any dilutive potential equity shares. Consequently, the basic and diluted earnings per share of the company remain the same.
- (4) Earnings per share calculations are in accordance with Indian Accounting Standard 33 – Earnings per share, prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015 to the extent applicable.
- (5) The face value of the Equity Share of the Company is ₹ 10 each.
- (6) The above statement should be read with significant accounting policies and notes on Restated Financial Information as appearing in the “Financial Information” on page 162.

II. Price/Earning (“P/E”) ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share:

Particulars	P/E at the lower end of the Price Band (number of times)	P/E at the higher end of the Price Band (number of times)
Based on basic EPS for the Fiscal 2018	[●]	[●]
Based on diluted EPS for the Fiscal 2018	[●]	[●]

Industry P/E ratio (on standalone basis):

- (a) Highest: 114.34
- (b) Lowest: 6.03
- (c) Industry Composite: 52.86

Source: For Industry P/E ratio, P/E figures for the peers are computed based on closing market price as on April 30, 2018, of such peers, on BSE (available at www.bseindia.com) divided by basic EPS (on standalone basis) based on standalone financials from the filings made by the respective peers for Fiscal 2017 on BSE or as mentioned below.

III. Average Return on Net Worth (“RoNW”)

As per Restated Financial Information:

Financial Period	RoNW (%)	Weight
Fiscal 2018	47.77%	3
Fiscal 2017	47.74%	2
Fiscal 2016	48.59%	1
Weighted Average	47.90%	

$$\text{Return on net worth (\%)} = \frac{\text{Net profit after tax, as restated}}{\text{Average Net worth}^{(1)} \text{ as restated}}$$

⁽¹⁾ Net worth' has been defined as Equity share capital + Other Equity, as restated. Average Net worth means average of the opening and closing net worth for the respective years

IV. Minimum Return on Total Net Worth after Issue, required for maintaining pre-Issue EPS as at Fiscal 2018:

To maintain pre-Issue basic and diluted EPS:

1. Based on Restated Financial Information:
 - (i) At the Floor Price - [●]%
 - (ii) At the Cap Price - [●]%

V. Net Asset Value (“NAV”) per Equity Share (Face value of ₹ 10 each)

(₹)

NAV per Equity Share	Restated Financial Information
As on Fiscal 2016	27.99
As on Fiscal 2017	39.35
As on Fiscal 2018	36.39
After the Issue	

NAV per Equity Share	Restated Financial Information
At Floor Price	[●]
At Cap Price	[●]
At Issue Price	[●]

Net Asset Value Per Equity Share = $\frac{\text{Net worth as restated, at the end of the year}}{\text{Number of equity shares outstanding at the end of the year}}$

Net asset value per equity share have been adjusted for the issue of 1,35,08,260 bonus equity shares on April 23, 2018.

VI. Comparison with Listed Industry Peers

Following is the comparison with our peer group companies listed in India:

S no.	Name of the Company	For the year ended March 31, 2017					
		Face Value (₹)	Revenue from operations ⁽¹⁾ (in ₹ million)	Basic EPS ⁽²⁾ (₹)	P/E ⁽³⁾	RoNW ⁽⁴⁾ (%)	NAV ⁽⁵⁾ (₹)
1	P. N. Gadgil & Sons Limited	10	15,460.10	16.07	[●]	47.74	39.35
	Peer Group[#]						
2	PC Jeweller Limited	10	81,045.80	24.05	6.03	14.91	161.24
3	Tribhovandas Bhimji Zaveri Limited	10	17,002.42	2.78	37.91	4.10	67.69
4	Thangamayil Jewellery Limited	10	12,936.48	10.17	53.16	9.65	105.34
5	Titan Company Limited	1	127,168.90	8.58	114.34	19.42	44.19
Industry Composite					52.86		

[#] Based on standalone financials from the filings/annual reports made by the respective companies for Fiscal 2017 on BSE/corporate websites

⁽¹⁾ Based on revenue from operations as reported in company filings, excluding other income

⁽²⁾ Basic EPS (on standalone basis wherever applicable) as reported in company filings

⁽³⁾ Price earnings ratio calculated by dividing the closing price of equity shares of the company as on April 30, 2018 on BSE Ltd, by the basic EPS of the company for Fiscal 2017

⁽⁴⁾ RoNW has been computed as Net profit after tax for Fiscal 2017 divided by the average of net worth as at March 31, 2017 and net worth as at March 31, 2016

⁽⁵⁾ Net asset value (NAV) per equity share has been computed as net worth as at March 31, 2017 divided by the total number of equity shares outstanding as at March 31, 2017

VII. The Issue Price will be [●] times of the face value of the Equity Shares.

The Issue Price of ₹ [●] has been determined by our Company in consultation with the BRLMs, on the basis of demand from investors for Equity Shares through the Book Building Process and, is justified in view of the above qualitative and quantitative parameters.

Investors should read the above mentioned information along with “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Information” on pages 17, 119, 248 and 162, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the “Risk Factors” or any other factors that may arise in the future and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

To

Board of Directors

P. N. Gadgil & Sons Limited

Abhiruchi Mall, S.No.59 /1-C,
Wadgaon (BK), Sinhgad Road,
Pune – 411041

and

HDFC Bank Limited

Investment Banking Group
Unit No 401 & 402, 4th Floor
Tower B, Peninsula Business Park
Lower Parel
Mumbai - 400 013
Maharashtra, India

YES Securities (India) Limited

IFC Tower 1&2, Unit no. 602A
6th Floor, Senapati Bapat Marg
Elphinstone Road
Mumbai – 400013

collectively, the “book running lead managers” or “BRLMs”, in relation to the Issue.

Re: Proposed initial public offering of equity shares of ₹ 10 each (“Equity Shares” and such offering, the “Issue”) of P. N. Gadgil & Sons Limited (the “Company”).

We hereby report that the enclosed Annexure, prepared by the Company, provides the possible special tax benefits available to the Company and the shareholders of the Company, under the Income Tax Act, 1961, as amended by the Finance Act 2018 and applicable for financial year 2018-19 relevant to the assessment year 2019-20, presently in force in India (the “IT Act”).

Several of these stated special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the IT Act. Therefore, the ability of the Company or its shareholders to derive the tax benefits is dependent on fulfilling such conditions.

The benefits discussed in the enclosed annexure are not exhaustive. The enclosed annexure is for your information and for inclusion in the draft red herring prospectus, the red herring prospectus and the prospectus (collectively, the “Offer Documents”), and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax benefits and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither are we suggesting nor advising the investor to invest money based on this statement.

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

- (i) the Company or its shareholders will continue to obtain these benefits in future; or
- (ii) the conditions prescribed for availing the benefits have been met with; or
- (iii) the revenue authorities/courts will concur with the views expressed herein.

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

This certificate may be relied upon by the book running lead managers and the legal counsels appointed by the Company in relation to the Issue. We hereby consent to extracts of, or reference to, this certificate being used in

the Offer Documents, as required, in connection with the Issue. We also consent to the submission of this certificate as may be necessary, to any regulatory authority, Stock Exchanges, under intimation to us, and/or for the records to be maintained by the book running lead managers in connection with the Issue and in accordance with applicable law.

All capitalized terms not defined hereinabove shall have the same meaning as defined in the Offer Documents.

This certificate has been issued at the request of the Board of Directors of the Company, pursuant to the requirements of the Issue, as per guidelines specified in the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016). This certificate is not intended for general circulation or publication and is not to be reproduced or used for any other purpose without our prior written consent, other than for the purpose stated above. Accordingly save as mentioned above, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

The Company was a partnership firm up to the period ended November 6, 2017 and for the financial years ended March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 (the "Erstwhile Partnership Firm"). It was converted to a public limited company at the end of business hours on November 6, 2017 vide CIN No. U36911PN2017PLC173262. All references made to the Company for the period when it was the erstwhile partnership firm are solely for the purpose of the Issue and reference in the Offer Documents.

Sincerely,

For Shah & Taparia
Chartered Accountants
Firm Registration No: 109463W

Ramesh Pipalawa
Partner
Membership No.: 103840
Place: Pune
Date: May 4, 2018

Encl: Statement of Possible Special Tax Benefits

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

The information provided below sets out the possible special tax benefits available to the Company and its shareholders under the Income Tax Act 1961 as amended by the Finance Act 2018, i.e. applicable for the Financial year 2018-19 relevant to the assessment year 2019-20, presently in force in India (the “IT Act”).

I. Special tax benefits available to the Company

There are no special tax benefits available to the Company.

II. Special tax benefits available to Shareholders

There are no special tax benefits available to the shareholders for investing in the shares of the Company.

Notes:

1. This statement does not discuss any tax benefits in the country outside India of an investment in the Equity Shares. The subscribers of the Equity Shares in the country other than India are urged to consult their own professional advisers regarding possible special tax benefits and consequences that apply to them.
2. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.
3. The above statement of possible special tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax benefits of the purchase, ownership and disposal of shares and warrants.
4. All the above benefits are as per the current IT Act. Accordingly, any change or amendment in the laws /regulations, which when implemented would impact the same.

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.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

We have commissioned CRISIL Research in respect of a research report titled “Assessment of the gems and jewellery industry in India” issued in April 2018 (the “**CRISIL Report**”). The CRISIL Report uses certain methodologies for market sizing and forecasting. Neither we, nor any of the Book Running Lead Managers, have independently verified such data and therefore, while we believe them to be true, we cannot assure you that they are complete or reliable. Accordingly, investors should read the industry related disclosure in this Draft Red Herring Prospectus in this context. Industry source and publication are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry source and publication may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry source took due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. Accordingly, investors should not place undue reliance on, or base their investment decision solely on this information.

Industry and market data used in this section has been extracted from the CRISIL Report. For further details and risks in relation to commissioned reports, see “Risk Factors— Certain sections of this Draft Red Herring Prospectus disclose information from an industry report commissioned by our Company and any reliance on such information for making an investment decision in the Issue is subject to inherent risks” beginning on page 32, and “Presentation of Financial, Industry and Market Data” beginning on page 13.

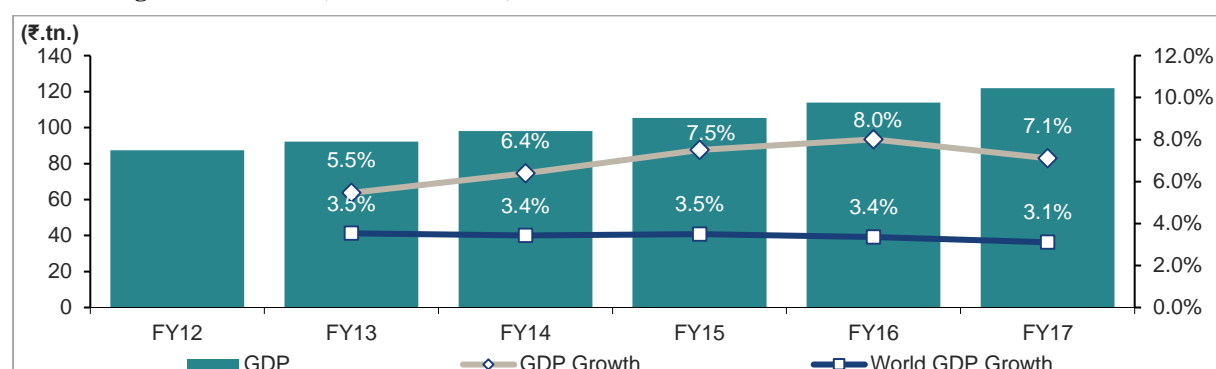
1. Brief overview on the macro-economic scenario in India

1.1. Review and outlook of GDP growth in India

GDP grew at 6.9% CAGR over past 5 years

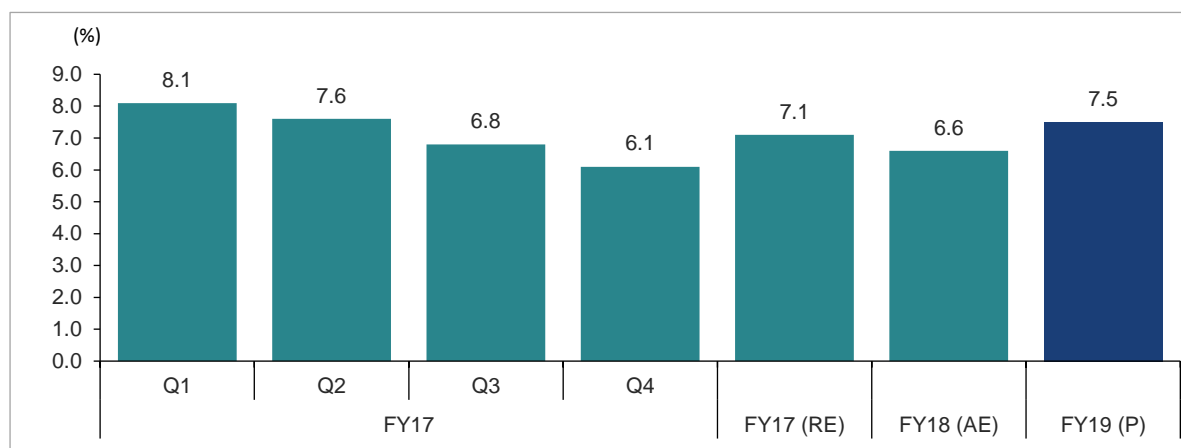
India adopted a new base year (FY12) for calculating the gross domestic product (GDP) based on which the GDP in nominal terms shot up from Rs 87 trillion in FY12 to Rs 122 trillion in FY17, representing a compounded annual growth rate (CAGR) of 6.9%. As per the Central Statistics Office (CSO), GDP growth for India clocked 7.1% in FY17, well above the world average of 3.1%, but down from 8% in FY16. One of the major reasons for this was demonetisation.

Real GDP growth in India (new GDP series)



Source: CSO, CRISIL Research

Real GDP growth (% y-o-y)



AE: Advance Estimate; RE: Revised Estimates, P: Projected

Source: *Second advance estimates of national income 2017-18, CSO, CRISIL Research*

CSO pegged real GDP growth for this fiscal at 6.6% – not too off from what was widely anticipated – down from 7.1% in last fiscal. With this, growth has slowed down for the second consecutive year and is at the lowest level since fiscal 2015.

Gross value added (GVA) growth followed a similar trend, slowing down to 6.4% in fiscal 2017-18 from 7.1% in last fiscal 2016-17. A sharp rise in mining and agricultural growth estimates helped push up fiscal 2017 GVA growth, whereas upward revision in construction and agriculture growth pushed up fiscal 2018 growth estimates. Since supply-side growth estimates are generally the more robust measures of economic activity, such sharp movement in these numbers is a bit startling. Given the low base and the expected waning of the GST impact going ahead, we retain our forecast of 7.5% real GDP growth in fiscal 2019, with private consumption leading the recovery.

During the first half of fiscal 2018, India's economy temporarily "decoupled," decelerating as the rest of the world accelerated – even as it remained the second-best performer amongst major countries, with strong macroeconomic fundamentals. The reason lay in the series of actions and developments that buffeted the economy: demonetization, teething difficulties in the new GST, high and rising real interest rates, an intensifying overhang from the twin balance sheet (TBS) challenge, and sharp falls in certain food prices that impacted agricultural incomes. In the second half of the year, the economy witnessed robust signs of revival. Economic growth improved as the shocks began to fade, corrective actions were taken, and the synchronous global economic recovery boosted exports.

For the complete year, real GDP growth is estimated to slow down to 6.6% in fiscal 2018 from 7.1% in fiscal 2017. While consumption would continue to spearhead growth, investment is expected move up slowly. Private consumption is estimated to grow at 6.1%, over a high base of 7.3% and remain the largest contributor to GDP (56% share). Interest rate reduction, pent-up demonetisation demand, pay commission implementation by the states and moderate inflation are the factors supporting private consumption.

GDP growth for fiscal 2019 forecasted at 7.5%

CRISIL Research expects real GDP growth would rebound to 7.5% in fiscal 2019 from 6.6% this fiscal as the transitory disruption from GST implementation would wane and a low base would help. Growth would continue to be driven by consumption – with interest rates expected to remain soft, inflation under control, and implementation of 7th Pay Commission hikes at the state level. Investments, fired largely by public sector investment in infrastructure, too, would start lending a helping hand to growth. Growth would also be mildly supported by public spending (with a rural focus) in infrastructure, especially roads. The government's Rs 2.11 lakh crore bank recapitalisation plan would mean the banks would be sufficiently funded to support growth. On the external front, too, synchronised global recovery is expected to gather pace, which should help Indian exports that were held back to some extent on account of GST-related glitches.

Budget 2018-19 focused on raising rural demand

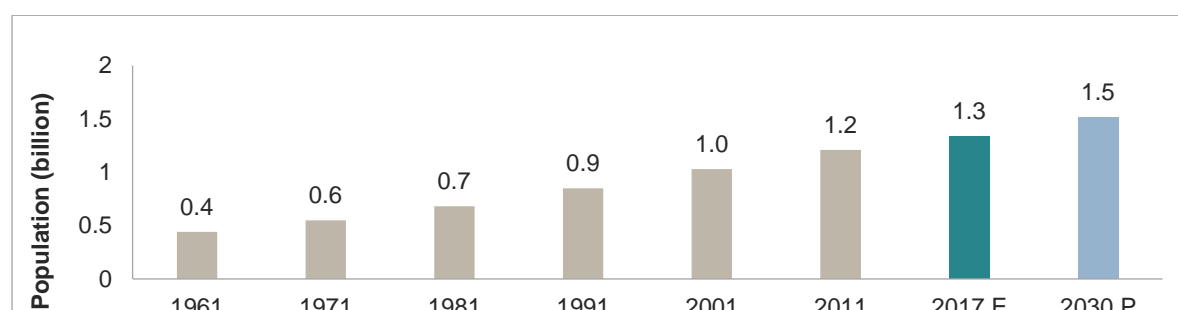
Given its ambitious target of doubling farmers' income by 2022, the government increased its budgetary allocation for agriculture and allied activities from the revised estimate of Rs 566 billion in fiscal 2018 to Rs 638 billion in fiscal 2019. The allocation increased 12.8% on-year in fiscal 2019 similar to that in fiscal 2018. The government also announced measures such as an assured minimum support price, export liberalisation of agri-products expected to revive farm realisations, and increased expenditure on rural infrastructure in order to improve rural incomes. Construction is a very labour-intensive activity and, more importantly, it can absorb low skilled workers – a key characteristic of rural India. Focus on rural housing and roads is expected to help build assets, create jobs and consequently improve income levels, thereby having a cascading impact on gold demand.

1.2. Review of population growth and urbanisation

Urbanisation likely to cross 35% by 2020

As per the Census 2011, India's total population was about 1.2 billion and comprised nearly 246 million households. Population grew by a CAGR of 1.8% during 2001-2011.

India's population growth



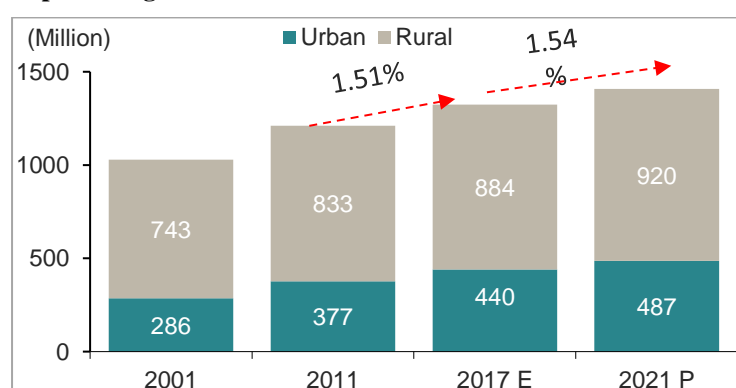
P: Projected

Note: Figures stated above are in calendar year

Source: *World Population Prospects: The 2017 Revision, United Nations, CRISIL Research*

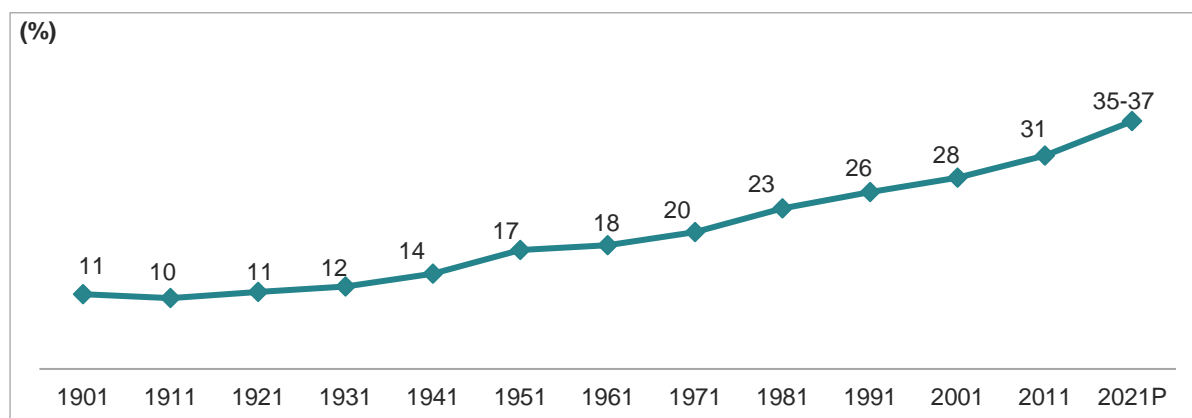
The share of urban population in relation to the total population has been consistently rising over the years and stood at about 31% in CY2011. People from rural areas move to cities for better job opportunities, education, better life, etc. Entire families or only a few people (generally earning member or students) may migrate, while a part of the family continues to hold on to the native house. A United Nations report, World Urbanization Prospects: The 2011 Revision, expects nearly 36% of the country's population to live in urban areas by CY2020.

Population growth



Source: *Census, CRISIL Research*

Urban population as a percentage of total population



P: Projected

Source: Census 2011, World Urbanisation Prospects: The 2011 Revision (UN), CRISIL Research

Urbanisation trends in Maharashtra, Gujarat, Karnataka

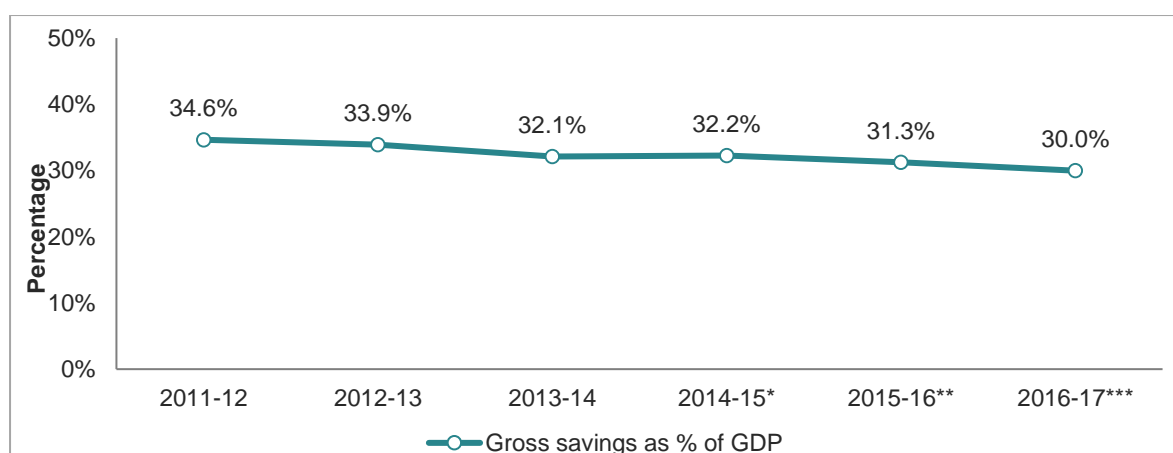
The share of urban population in relation to the total population have also shown a consistent increase in the states of Maharashtra, Gujarat, Karnataka and Madhya Pradesh at a CAGR of 2.9%, 3%, 2.8% and 3.4% respectively. The urban population in Maharashtra has grown to 45% in 2011 from 29% in 1951. Similarly, the ratio of urban population in Gujarat and Karnataka have grown to 43% and 39% from 27% and 23% respectively in 1951.

1.3. Trends (past 5 years) in savings as a % of GDP and discretionary spends

Savings-to-GDP

The economic scenario presented by the new series, with 2011-12 as the base year, reveals a fall in India's gross savings as a percentage of GDP, to 30% in fiscal 2017 from 34.6% in fiscal 2012, thus indicating that people are spending more. Gross savings during 2016-17 is estimated as Rs. 45,726 Bn as against Rs. 43,019 Bn during 2015-16.

Trends in saving as percentage of GDP



* Third revised estimate; ** Second revised estimate; *** First revised estimate

Source: First revised estimates of national income, consumption expenditure, saving and capital formation for 2016-17, MoSPI, CRISIL Research

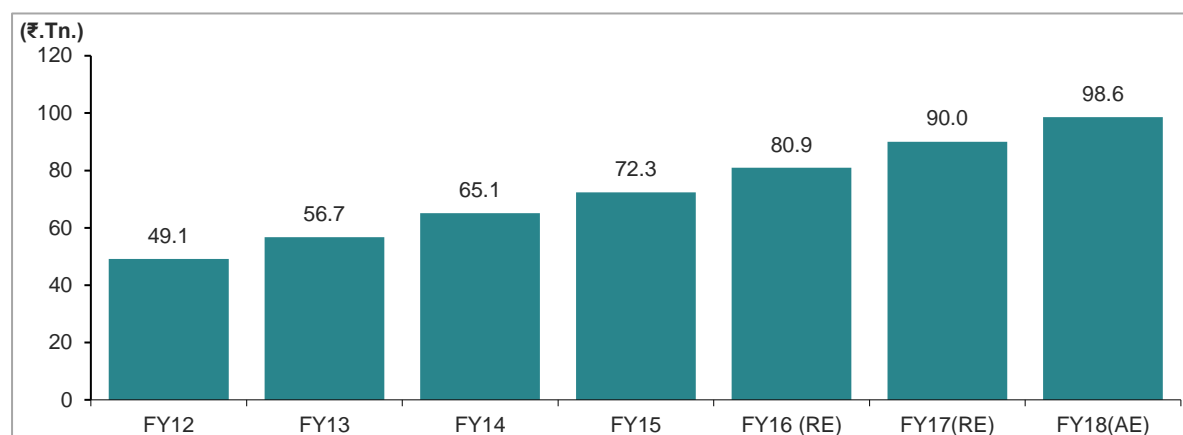
Household sector is the highest contributor to gross savings

The highest contributor to gross savings is the household sector, with a share of 54.2 per cent in the year 2016-17. However, this share has declined from 56.9 per cent in 2015-16. This decline can be attributed to decline in household's gross financial savings, which has declined from Rs. 15,207 Bn in 2015-16 to Rs. 14,048 Bn in 2016-17.

1.4. Review of private final consumption growth in India

Final consumption expenditure in India grew to Rs 90 trillion in fiscal 2017 from Rs 49 trillion in fiscal 2012, registering a CAGR of ~10%.

Private final consumption expenditure growth at current prices (new series)



AE: Advance Estimate; RE: Revised Estimates

Source: Second advance estimates of national income 2017-18, CSO, CRISIL Research

At current prices, private final consumption expenditure (PFCE) is estimated at Rs 98.6 trillion in fiscal 2018 as against Rs 90 trillion in fiscal 2017. At constant (fiscal 2012) prices, it is estimated at Rs 72.25 trillion as against Rs 68.12 trillion in fiscal 2017.

1.5. Review of per capita income growth in India

India's per capita income grew at a healthy rate in the three years to fiscal 2017. Per capita net national income (NNI), at current prices, rose 9.6% to Rs 103,870 in fiscal 2017 from Rs 94,731 in fiscal 2016. The per capita net national income during 2017-18 is estimated to be Rs 112,764 showing a rise of 8.6 percent as compared to Rs 103,870 during 2016-17.

The buoyant trend of India's per capita income growth is expected to continue at a healthy rate. Rising disposable income will be driven by factors such as the implementation of the 'One Rank One Scheme' and sustained low inflation, thus enabling higher domestic consumption. A higher disposable income would aid increase in gold demand, thus acting as an important factor driving demand in the Indian gems and jewellery industry.

Per capita GDP and NNI trend

Item	Level in fiscal 2017(RE) (Rs)		Level in fiscal 2018(AE) (Rs)		Growth at constant prices (%)				
	Current prices	Constant prices	Current prices	Constant prices	FY14	FY15	FY16	FY17 (RE)	FY18 (AE)
Per capita GDP	117,427	93,888	127,292	98,814	5.2%	5.8%	6.6%	5.8%	5.2%
Per capita NNI	103,870	82,229	112,764	86,689	4.8%	5.8%	6.6%	5.7%	5.4%

AE: Advance Estimate; RE: Revised Estimates; NNI: Net national income

Source: Second advance estimates of national income 2017-18, CSO, CRISIL Research

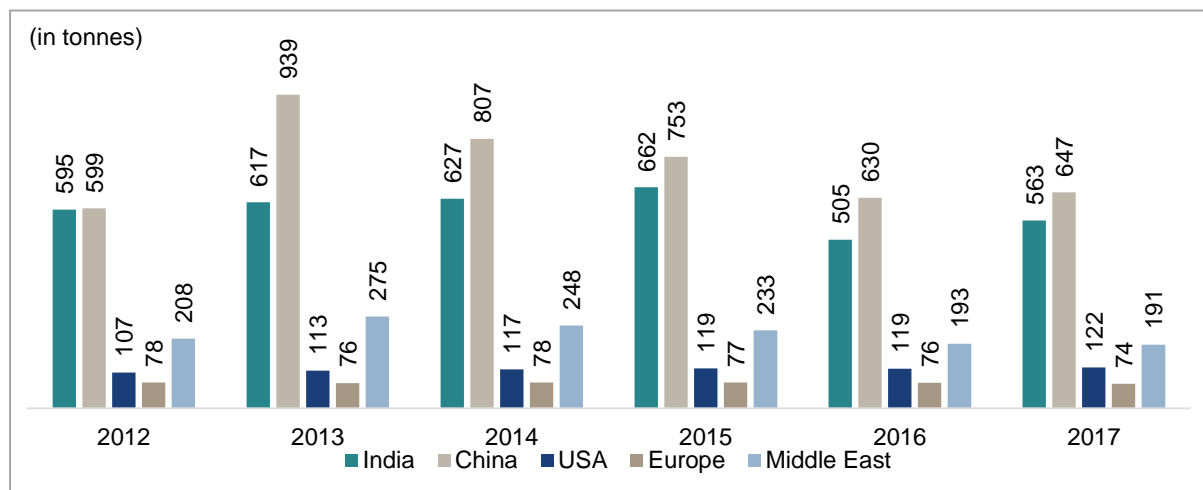
2. Overview of the gems and jewellery industry in India

2.1 Current market sizing of the gems and jewellery industry in India

India retains its position as the 2nd largest consumer of gold jewellery during 2017

During 2017, China consumed 646.9 tonnes of gold jewellery, thereby occupying the pole position in global gold consumption, followed by India in the second place at 562.7 tonnes. Overall global gold consumption in 2017 grew by 4% on-year, primarily driven by India, USA and China. Indian jewellery demand improved by 12% on-year, owing to factors such as lower rupee gold prices, festive demand (Dhanteras followed by wedding season), government's decision to remove anti-money laundering regulation from jewellery and an improved rural sentiment.

Region-wise trends in gold consumption



Note: Middle East includes Saudi Arabia, UAE, Kuwait, Egypt, Iran and other Middle East

Europe includes France, Germany, Italy, Spain, United Kingdom, Switzerland, Austria and other Europe

Source: WGC Demand trends 2017

Superior skill sets have won sector global recognition

The Indian gems and jewellery sector has grown rapidly over the past few years. The sector has won worldwide acclaim due to the availability of skilled craftsmen, superior techniques for polishing & cutting of diamonds and other precious stones and cost efficiency.

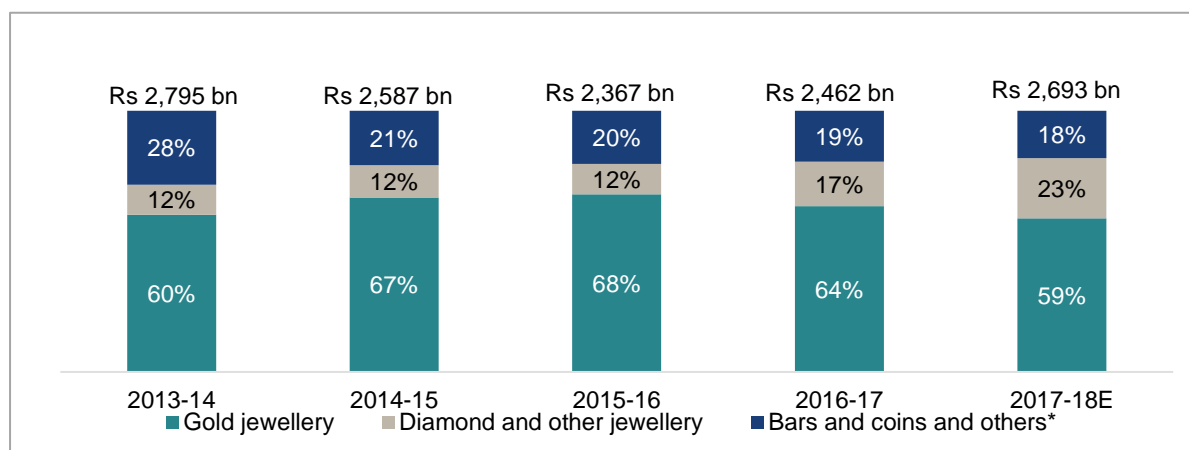
Domestic Demand Trend

While diamonds are largely processed and exported, domestic demand is driven by gold (jewellery, bars & coins) as India remains among the top global consumers of gold. In India, gold jewellery is most preferred as it is considered auspicious to purchase gold on occasions like festivals, marriage, birth etc. Gold is also perceived as a relatively safer investment option. Given its historic importance in the Indian cultural context, the scale of the sector can be gauged by the fact that while industry estimates the presence of more than 400,000 jewellery stores in the country, the number of ATMs in the country as of January 2018 stand far lower at ~108,000 (Source: RBI statistics)

Domestic gems and jewellery market is estimated at Rs 2,693 billion as of 2017-18

The domestic gems and jewellery market is estimated at Rs 2,693 billion in 2017-18. Gold and studded jewellery account for approximately 81% share, whereas bars and coins make up the rest at ~19%. Domestic jewellery has historically been dominated by gold. The share of gold jewellery has witnessed an increasing trend during the past 5 years, with an estimated share of 59% as of FY2018. However, consumption of jewellery studded with diamond, pearls and other precious and semi-precious stones, has been growing rapidly. This could be attributed to changing consumer preferences, rising presence of organised players and aggressive advertising campaigns. Demand for gold jewellery is highly sensitive to gold price variations.

Trend in domestic gems and jewellery market size



Note: figures on top of the bars indicate size of the domestic market.

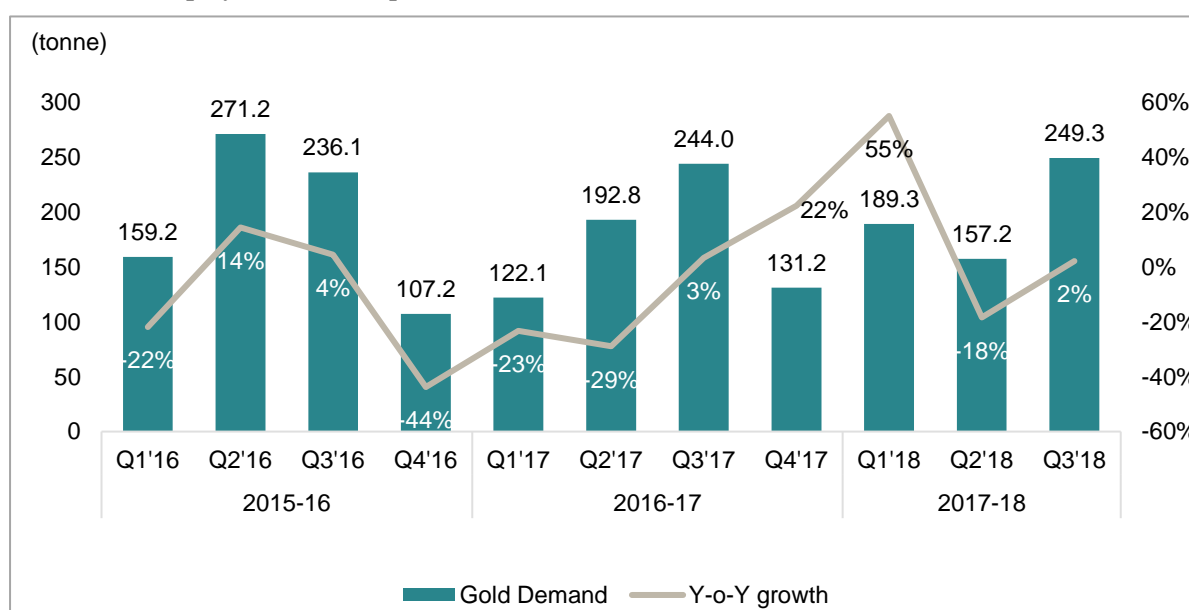
E: Estimated; *others includes ETF net additions

Source: Industry, CRISIL Research

Demand for gold had fallen 17% on year in April-December 2016, to 559 tonnes. Demand in the first two quarters contracted 18% and 28% on-year, respectively. Factors such as continued impact of agitation carried out by gems and jewellery players to protest against the 1% excise duty, mandatory PAN card requirement for transactions above Rs 2 lakh, and higher gold prices, kept the price sensitive Indian buyers away from gold, thereby affecting demand.

During the third quarter of 2016-17, demonetisation in the month of November further impacted this highly unorganised sector, wherein ~80% of the transactions are cash-based. However, despite demonetisation, the fall in gold demand - by 3% on-year to 233.3 tonnes in the quarter - was not dramatic, owing to festive season of Dusshera and Diwali (in October), coupled with steep fall in gold prices. Gold prices fell 6% on-quarter to Rs. 29,179/10 gm. In the fourth quarter, demand improved by 6% on-year to 123.5 tonnes. This was mainly on account of easing of cash crunch situation at a faster rate (post demonetisation) than anticipated thus reviving consumer sentiments and thereby gold demand.

Gold demand up by 2% in third quarter of 2017-18

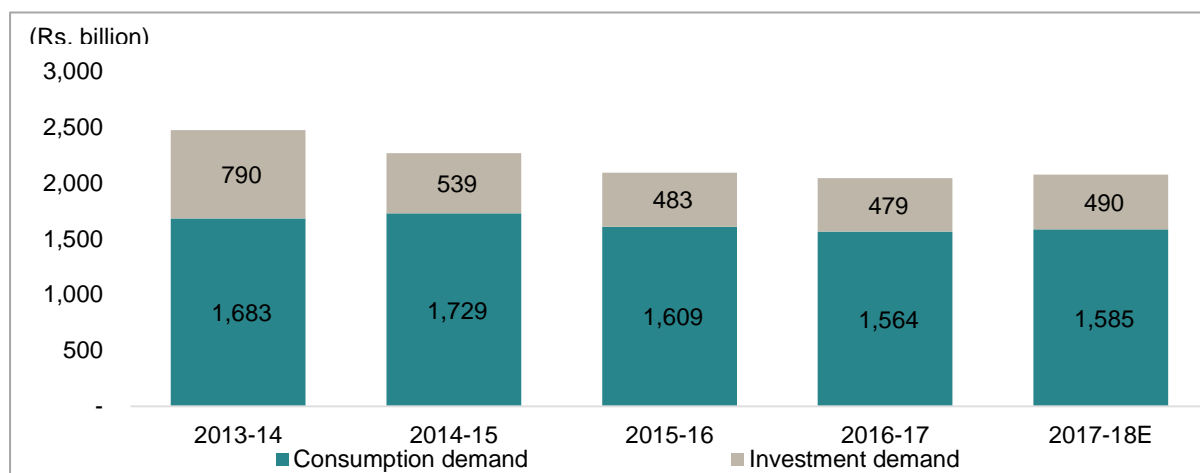


Source: WGC, CRISIL Research

Overall, we expect gold demand to recover in 2017-18. Consumption demand, the largest component in overall gold demand (~76% in 2017-18), will post an on-year rise of 3-5% (from a low base), primarily owing to rising sales volume. Volumes are expected to grow 6-8% during the year.

Fall in gold prices (domestic gold prices expected to range between Rs.28,800 to 29,200/10 gms, in tandem with international prices) and favourable monsoon should improve demand in 2017-18. Further fall in inflation (to 3.5% from 4.6%) are also likely to boost jewellery demand.

Trend in gold demand



Note: Consumption demand for gold includes gold jewellery while investment demand for gold includes bars and coins and ETF net additions. Diamond and other stones jewellery has been excluded from consumption demand for gold in the above chart.

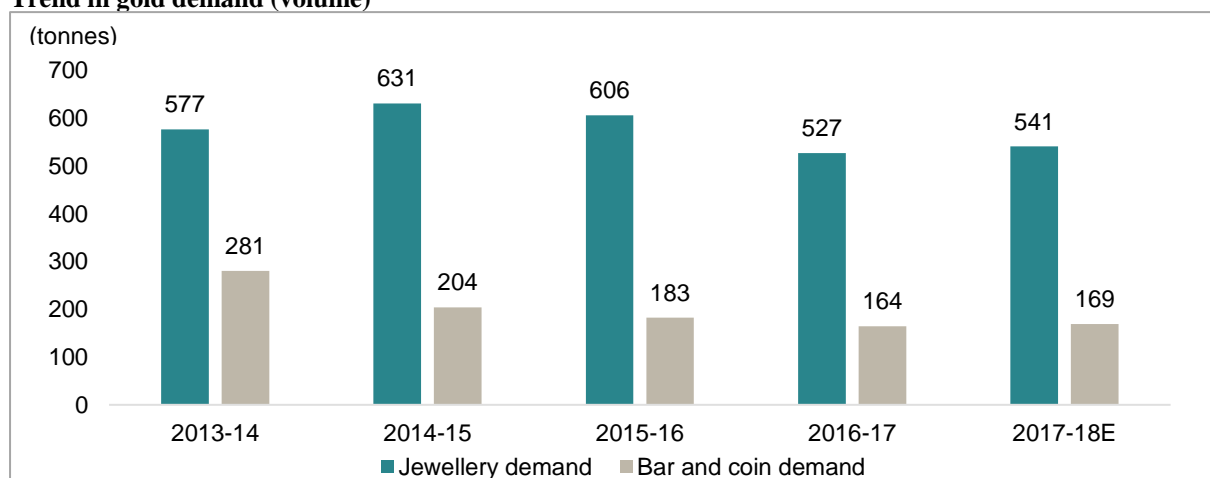
E: Estimated; P: Projected

Source: World Gold Council (WGC), CRISIL Research

Fragile rural sentiment in 2016-17 following weak monsoons in 2014 and 2015, rising gold prices for most part of the year, and series of regulatory developments (1% excise duty, mandatory disclosure of PAN card details, and demonetisation) pushed down the bar and coin demand. Demand for the same declined by 10% to 164 tonnes on-year.

In 2017-18, we expect demand to improve by 2-3% to ~169 tonnes, owing to fall in gold prices that would dissuade consumers from investing in gold exchange traded funds.

Trend in gold demand (volume)



E: Estimated; P: Projected

Source: World Gold Council (WGC), CRISIL Research

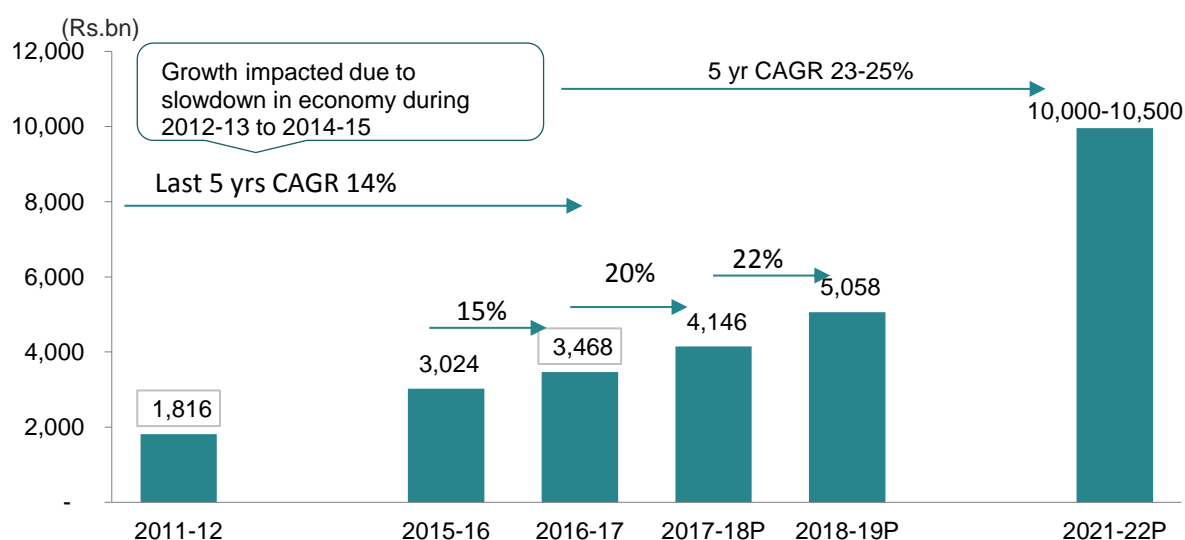
Higher consumer spending to boost revenue growth for overall organised retailers

Organised retailing grew at a break-neck 30% compound annual growth rate (CAGR) between 2005-06 and 2010-11. CRISIL Research defines organised retailing industry as the one which includes segments namely food & grocery, apparel, footwear, furniture, furnishing, household equipment, pharmacy, consumer durables, books, music, jewellery and others. According to CRISIL Research, organised retail typically means large-scale chain stores which are corporatised, apply modern management techniques and relatively higher level of self-service in nature. E-retail is a part of organised retail while traditional retail includes only brick-and-mortar (B&M).

However, the organised retail grew at a relatively slower 14% CAGR from fiscals 2012 to 2017 as a tepid economy put the brakes on disposable income from 2012 to 2015.

Growing urbanisation, increasing brand awareness among consumers, increased aggression shown by online players and increasing investments by organised retailers into new stores will drive growth. Further, GST will also likely drive growth for organised players, as the cost of doing business would increase for unorganised players. Thus, we expect organised retail to grow at 20% on-year in fiscal 2018. Further, with economic revival and improved consumer spending in the longer term, organised retailers could clock 23-25% CAGR over fiscals 2017 to 2022, reaching Rs 10-10.5 trillion.

Organised retailing to see continuing growth over medium term



Note: P: Projected, ORP: Organised retail penetration

Source: CRISIL Research

A look at the gross state domestic product (GSDP) at constant prices for 16 states (Andhra Pradesh, Bihar, Chhattisgarh, Gujarat, Haryana, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Tamil Nadu, Telangana and Uttar Pradesh) reveals that Gujarat, Madhya Pradesh, Haryana, Karnataka and Andhra Pradesh have recorded the highest growth rates between fiscals 2012 to 2017 followed by Maharashtra at the sixth position. The states of Gujarat, Madhya Pradesh, Haryana, Karnataka and Andhra Pradesh have grown at CAGR 9.8%, 8.1%, 7.9%, 7.6% and 7.6% respectively between the said fiscals. However, Maharashtra ranks the highest in terms of absolute Gross State Domestic Product (GSDP) at constant prices as of fiscal 2017 at Rs 18,155 bn depicting a CAGR of 7.3% between fiscal 2012 and 2017 (Source: MoSPI). Higher disposable incomes and better economic outlook are likely to spur consumer spend, enthusing retailers to open more stores. The rise in store additions in fiscal 2017 will also drive faster growth in the succeeding fiscal. As a result, organised retailing could grow about 20% in fiscal 2018.

India's domestic gems and jewellery market currently dominated by unorganised players

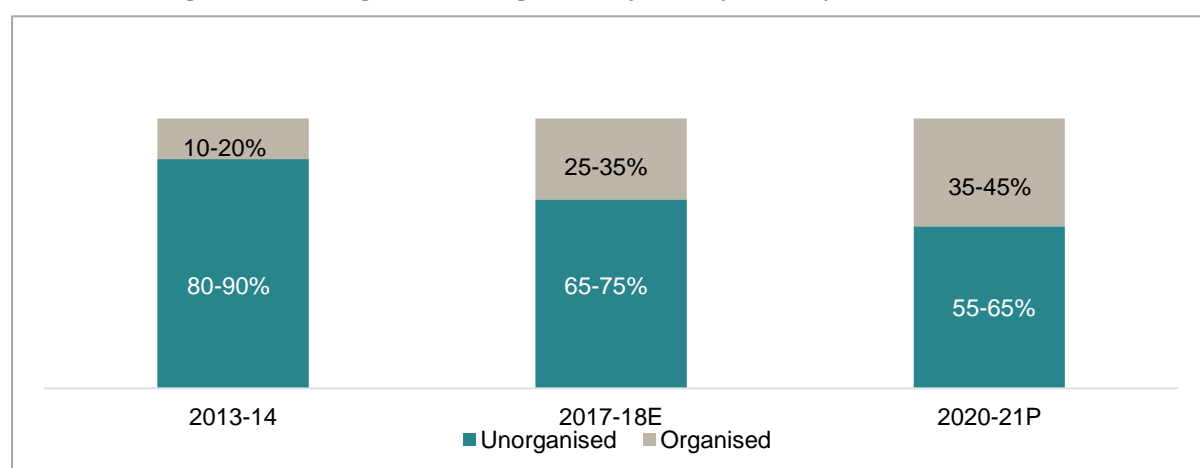
Jewellery in India is retailed mainly through three formats: national chain stores, regional chain stores and local standalone stores. CRISIL Research defines a national chain store as one which operates multiple stores on a pan-India level while regional chain stores have been defined as those which operate multiple stores, but in a particular state or region. Thus, based on their geographic presence, CRISIL Research has classified the national and regional chain stores as organised and standalone stores as unorganized stores.

Retailing of jewellery in India was initially dominated by family-owned standalone stores which operated largely on trust. Organised retail of jewellery first began with the launch of the Tata-owned 'Tanishq' brand, which commenced in 1990s. Prior to Tanishq, several regions had their own strong brands, such as 'Kalyan Jewellers', 'Malabar Gold' and 'Joy Alukkas' in the south, 'TBZ', 'PN Gadgil' in the West and 'Senco Gold' in the East. However, with the growth of the gems and jewellery industry in India, these brands have also begun to open new stores at a pan-India level. Jewellery is also retailed through major department stores like 'Shoppers Stop', 'Lifestyle' etc. via shop-in-shop format. Several global brands such as 'Swaroski', 'Damas' and 'Forevermark' have also set up outlets in the country.

India's domestic gems and jewellery market remains highly fragmented, with unorganised players currently occupying ~65-75% share. While unorganized jewellery stores currently dominate the landscape, the share of organised jewellery retailing is expected to grow rapidly in the medium to long term, supported by growing urbanization, increasing awareness of branded jewellery and change in preferences among consumers. Key government regulations such as introduction of GST, requirement of PAN card for high-value purchases and promotion of digital modes of payment as opposed to cash transactions are also expected to favor the growth of organised players in the industry.

The Indian jewellery industry is expected to continue to witness a shift in demand in favour of organised jewellery companies gaining market share from the unorganised market.

Evolution of organised retailing in domestic gems and jewellery industry in India



Note: E: estimated; P: Projected

Source: Industry, CRISIL Research

National and regional jewellery retailers enjoy an edge over their smaller standalone counterparts

Industry interactions indicate that in today's scenario, national and regional jewellery retailers enjoy an edge over their smaller standalone counterparts, mainly on account of the following:

- **Increased presence across cities and locations:** National and regional jewellery retailers typically enjoy a widespread presence across cities and locations as compared to their smaller standalone counterparts. Geographic diversification allows them to capitalise on growing consumer awareness regarding quality, brands and design trends which leads to tapping new markets and gaining share from the unorganised segment.
- **Focus on quality:** Several national and regional jewellery retailers are laying strong emphasis on quality with regards to caratage, an aspect which was previously undermined, especially prior to BIS hallmarking of jewellery. Although hallmarking of jewellery remains voluntary till date, more and more national and regional chains have opted for the same, in a bid to win customer trust. Launch of other schemes such as buyback of gold further helps to reinforce their focus on quality.
- **Launch of new collections and brands:** Given their scale and size of operations, national and regional jewellery retailers enjoy an advantage over the smaller standalone players as they are able to develop and design jewellery according to regional tastes as well as global trends and launch new collections and brands at regular intervals, thus providing the customer with a wider choice.

- **Investments in brand building:** Typically, national and regional jewellery retailers invest higher amounts in brand building and advertising initiatives as compared to the smaller standalone players which helps to establish trust and also create brand recall value for customers.

2.2 Key demand drivers for jewellery in India

Growth drivers – domestic:

Rising incomes:

Jewellery demand in India is largely driven by a rise in disposable incomes. Industry estimates and studies indicate that all else being equal, gold demand enjoys a positive co-relation with rise in income levels, namely a 1% increase in per capita income corresponds to a 1% increase in gold demand. This holds true, especially for the rural population of the country. Moreover, lack of easy availability of alternative financial products, when compared to urban areas, also drives demand for gold in rural areas.

Favourable demographics:

More than half of India's population belonged to the age group of 15-64 years, as of 2014. Bulk of gold demand comes from this category. However, there are subtle differences in the pattern of ownership when compared to the urban and rural areas. Industry estimates and studies have indicated that urban consumers have more options such as luxury clothing, accessories and electronics such as smartphones as competing products while purchasing gold as compared to their rural counterparts.

Rise in number of working women:

As per Census 2011, the number of women participating in workforce has increased ~18% from 127 million in 2001 to 150 million in 2011 at a CAGR of 1.6% during the decade.

Women have traditionally been major demand drivers for gold and jewellery. While earlier, the trend was skewed towards bridal jewellery, the past few years have seen several brands launching light weight daily wear and fashion jewellery to address the needs of working women, especially in urban areas.

Traditional demand and changing preferences:

India is the second largest consumer of gold in the world, Jewellery (worn at various occasions) constitutes about two-thirds of total gold demand in India. While the penchant for gold will remain unchanged in the long run, there is also a rise in awareness among consumers about diamonds, pearls and other types of jewellery. To tap into this demand, various retailers are offering a wide variety of products (lightweight jewels, platinum jewels, etc.) that are exotic as well as affordable.

Savings and investment vehicle:

Gold and gold jewellery also form an important investment avenue in India as it is perceived as a liquid asset and also provides a hedge against inflation.

2.3 Key challenges for the sector in India

High dependence on imports, raw material price volatility:

Although India is among the main centres for processing diamonds and gold jewellery, players have to largely import rough diamonds and gold, which affects their margins. This exposes Indian exporters to dual risks: raw material availability and vulnerability to price fluctuations. On the other hand, countries producing rough diamonds, such as Canada, and companies owning diamond mines enjoy a distinct advantage on both terms. Indian players are trying to lower manufacturing costs by striking deals to directly source rough diamonds from miners. A large number of Diamond Trading Company (DTC) sightholders* are from India. Sightholders enjoy a fairly assured supply of quality rough diamonds from DTC. This helps companies to plan production efficiently as and also meet large purchase orders.

(Note* - Diamond Trading Company (DTC) is the main sales and marketing arm of De Beers for rough diamonds. DTC supplies rough diamonds on a 3-year contract basis to 'DTC Sightholders' - a selected group of companies it selects based on their ability to add value to the diamonds, their expertise particularly in rough diamonds and their financial and ethical integrity).

Working capital intensity:

Gems & jewellery exporters typically have a long working capital cycle of over 6 months. Intense competition among exporters leads to a large credit period being offered to customers. Hence, players depend heavily on short-term bank borrowings to fund upfront payments to suppliers. Consequently, most export units are characterised by low profitability and high gearing.

Shortage of low-cost, skilled labour:

The availability of skilled labour has traditionally enabled India to export quality products at a low cost. However, the recent economic downturn forced several domestic units to shut down. On the other hand, China is emerging as a strong competitor, due to higher labour productivity and favourable labour laws. The Chinese government has begun sourcing rough diamonds from Africa and is attracting diamond processors from Israel, Belgium and India, to set base. Indian players are working to establish technical training institutes and colleges. Imparting formal training in grading, designing, jewellery manufacturing will help improve the size and quality of skilled workforce.

Failure to keep up with changing trends:

Even as customers are changing preferences, India lags in designing capabilities in machine-made jewellery (such as Italian lightweight jewellery), even as it leads in the fabrication of handmade and handcrafted traditional jewellery. A major shift in consumer preferences and a lack of response could impact revenues.

Advanced technology and expertise:

The unorganised nature of the domestic gems & jewellery industry hinders technological developments. Thus, India lags behind countries such as Belgium (Antwerp), which have historically been large diamond hubs and are technologically more advanced. Better technology enables these players to earn higher margins, Indian units process low-sized, and low-value diamonds and earn lower margins.

Threat from rough diamond producing countries:

In the past, there has been increased political pressure from diamond producing countries in Africa for forward integration. This is primarily because diamond cutting and polishing would provide larger economic benefits than merely mining diamonds.

2.4 Break-up of jewellery demand across regions and type of jewellery***Southern region commands the maximum share of 38-43% in India's jewellery demand***

Industry estimates indicate that nearly 75% of India's gold demand emanates from rural areas, in line with the demographic flavor of the country. Within India, the southern regions of the country occupy a dominant position in India's gold consumption, estimated at a healthy 38-43%. Demand from the southern states is reportedly supported by higher per capita incomes and strong non-resident Indian demand. Industry estimates also indicate that southern India is predominantly a 22-carat traditional, handmade market. In contrast, eastern India commands an estimated 13-18% share in gold demand mainly due to the economically under-developed nature of the region. Similar to southern India, eastern India demand for jewellery is focused largely on the 22-carat type. In contrast, the northern and western regions of the country, which enjoy a 23-28% and 18-23% share of the gold demand are quite diverse in their preferences with 14-carat and 18-carat jewellery also enjoying a share in jewellery demand.

Regional trends in jewellery demand

Particulars	South	West	North	East
Indicative market share (%)	38-43%	23-28%	18-23%	13-18%
Carat preference	22k	22k, 18k, 14k	23k, 22k, 18k, 14k	22k
Important centres	Chennai, Hyderabad, Cochin, Bengaluru	Mumbai, Ahmedabad	New Delhi, Jaipur	Kolkata

Source: Industry, CRISIL Research

Bridal jewellery commands the maximum share of 50-55% in India's jewellery demand

Jewellery consumption in India can be broadly categorized as bridal jewellery, daily wear jewellery and fashion jewellery. The role of weddings plays an important role in jewellery demand in India. Indian culture strongly favors purchase of jewellery during weddings, based on the ancient concept of 'streedhan' which loosely translates as property or assets for the bride given at the time of marriage as security. An additional, although smaller element of wedding-related jewellery demand stems from jewellery to be gifted to immediate families of bride and groom as well as demand from wedding guests for their own use during weddings. Also, given that bridal jewellery commands the maximum share in jewellery demand, it tends to be concentrated in months considered auspicious for weddings in India. Another key trend witnessed is that families now tend to spread out their wedding jewellery purchases based on factors like availability of surplus income, drop in gold prices, availability of schemes offered by jewelers etc. In some cases, families tend to purchase gold bars or coins on a regular basis which are then converted to bridal jewellery as and when required.

In contrast, daily wear and fashion jewellery which are usually more lightweight and contemporary in terms of design have started gaining market share with changing demographics such as increase in working women, exposure to global designs, increase in per capita incomes etc.

Category-wise trends in jewellery demand

Particulars	Bridal	Daily wear	Fashion
Indicative market share by weight (%)	50-55%	35-40%	5-10%
Carat preference	23k, 22k, 18k	22k, 18k	18k, 14k
Average size (in gms)	30-250 gms	5-30 gms	5-20 gms

Source: Industry, CRISIL Research

2.5 Qualitative comment on design variations across regions in India

Jewellery manufacturing in India is largely unorganized; design variations present across regions

According to industry estimates, jewellery manufacturing in India is largely unorganized with barely 5-10% of the units operating as large-scale organised units. Majority of the jewellery manufactured takes place across small workshops and is reflected in the fact that handmade jewellery accounts for nearly 60-65% in total jewellery manufactured in India. A key reason for the unorganized nature of jewellery manufacturing is the relatively low working capital requirement. Majority of the manufacturing is carried out in the form of 'job works' for others.

As jewellery tastes and preferences differ across the country, so do manufacturing skills and expertise. Thus, several regions in the country have specialized in producing specific types of jewellery. For e.g. Jaipur is renowned for producing jewellery with semi-precious stones and gems while Hyderabad is renowned for its pearls. Even within a particular item of jewellery, every region has its own variations in line with the prevalent culture and traditions. For instance, the design and materials used to make the 'mangasutra' which is a mandatory ornament during hindu weddings can vary across castes and regions. While Gujaratis and Marwaris may prefer diamond pendants, Maharashtrians typically prefer gold mangalsutras with one or two 'vatis' and Bengalis may add coral to the mangalsutra.

2.6 Recent trends in retailing of gems and jewellery industry in India

Retailing of gems and jewellery in India has gone through a transition over the past few decades as consumers have become more informed and are demanding the highest standards of quality. Several players have adopted or are in the process of adopting the initiatives listed below in an effort to differentiate themselves from the competition and earn customer trust.

Availability of BIS Hallmark/accredited jewellery

Increasingly, jewellery brands have started opting for BIS Hallmark certification which provides assurance on the quality (caratage) of the product. The presence of BIS Hallmark certification also allows for ease in the eventual sale of the products, and can become a critical deciding factor for buyers. While the scheme is still voluntary in India, players have started highlighting the availability of BIS Hallmark jewellery in their premises as a key differentiating factor from other local players.

Buyback schemes

Several players also offer to buy back their jewellery, subject to certain terms and conditions with regards to time period and valuation. This not only highlights the quality aspect of the product, but also helps to provide a certain degree of flexibility to buyers.

Monthly investment plans

Apart from buyback schemes, monthly investment plans have also gained popularity as a key offering among jewellery retailers. Under the scheme, customers pay equated monthly installments which are then converted into a purchase at the end of the payment cycle. Since the customer opts to pay for the product in advance, typically retailers offer some additional value benefit over the installments paid by the customer at the time of purchase. For the buyer, it allows for easy purchase of a big-ticket product.

Availability of customization

A key differentiating factor used by some players is the availability of customization option. Depending upon the level of customization offered, customers can either alter specific aspects of the product design such as length, width etc. or can choose to have an entirely custom-made product as per their preferences.

Adoption of online platform

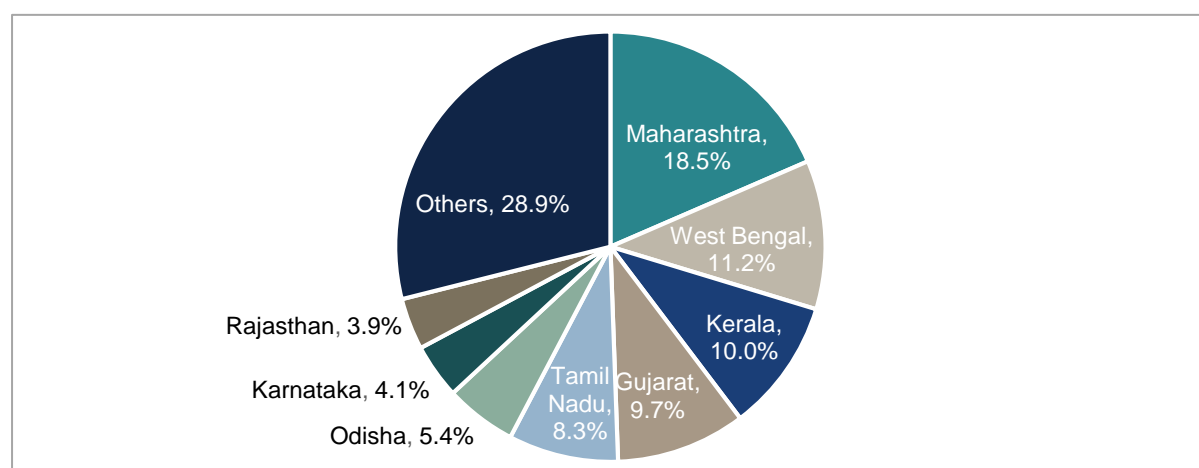
Players are also increasingly adopting the online format as an alternative sales channel, especially in metropolitan cities. Apart from physical brick and mortar stores, players have created their online presence via own website or tie-up with a market place website such as Amazon, Flipkart etc. Kalyan Jewellers, Joyalukkas, Malabar Gold & Diamonds, Tanishq, PN Gadgil & Sons etc. are some of the players who have begun to retail their jewellery online via their website as well.

Additionally, focused jewellery websites like Carat Lane, Bluestone etc. are beginning to gain traction as an alternative channel of sales. A key issue during online jewellery purchase is the consumer's preference for physically examining the product for its sizing and look prior to a purchase. However, players have tried to overcome this roadblock via solutions such as free trials at home, applications which allow virtual trial of jewellery, customisation of size after finalisation of product etc.

2.7 Qualitative comment on gems and jewellery industry in top 10 cities of India

While industry estimates indicate that there are more than 400,000 jewellery stores in India, as per the Bureau of Indian Standards (BIS), there are 20,441 BIS Hallmark registered stores selling gold jewellery in India as of 2016. Maharashtra tops with the maximum share of 18.5% (3,782 stores) followed by West Bengal and Kerala at 11.2% (2,288 stores) and 10.0% (2,043 stores), respectively. At a regional level, the western states of Maharashtra, Gujarat, Rajasthan and Goa enjoy the highest share of BIS Hallmark registered gold jewellery stores in India at ~33%, followed closely by the southern states of Kerala, Tamil Nadu, Andhra Pradesh, Karnataka and Telangana at ~28%. Higher levels of awareness and demand for quality among customers have resulted in the western and southern regions commanding the maximum share of BIS Hallmark registered gold jewellery stores in the country.

State-wise share of BIS Hallmark registered gold jewellery stores in India



Source: BIS website accessed on 6th March 2018, CRISIL Research

Under the traditional brick and mortar format, jewellery in India is typically retailed via national chain stores, regional chain stores and standalone stores. CRISIL Research defines a national chain store as one which operates multiple stores on a pan-India level while regional chain stores have been defined as those which operate multiple stores, but in a particular state or region.

Even today, standalone jewellery stores continue to dominate the jewellery retailing landscape as is evident in the top 10 cities of India. The standalone format occupies more than 90% share in majority of the top 10 cities, except for the southern cities of Bengaluru, Chennai and Hyderabad. Since the southern regions of the country have been known to be largely traditional in their jewellery preferences, a large number of regional players, typically owned across generations and operating on a high level of trust, have managed to establish a strong presence in these cities, thereby accounting for a relatively higher share as compared to national chain stores. Among the cities in the western region, Pune enjoys a marginally higher share of national and regional chain stores at 10% as compared to Mumbai, Ahmedabad, Surat and Jaipur.

Increasing urbanization levels coupled with rising incomes and brand awareness present a good potential for both the national chain and regional chain stores for further expansion in these cities, by leveraging on their brand vintage.

2.8 Qualitative comment on gems and jewellery industry in Maharashtra

Maharashtra among the leading states with respect to key economic indicators

The state of Maharashtra is the second most populated state (112.4 Mn) in India accounting for ~9% of the country's population as per census 2011. Maharashtra is also one of the leading states in the country with respect to key economic indicators such as GDP and per capita income. A comparison with other states reveals that Maharashtra ranks the highest in terms of Gross State Domestic Product (GSDP) as of fiscal 2017 at Rs 22,678 bn (Source: MoSPI).

As per the economic survey of the state of Maharashtra 2017-18, the state's per capita income (at current prices) stood at Rs 165,491 as compared to the national per capita income (at current prices) of Rs 103,870. Also, during the six year period from 2011-12 to 2016-17, the state saw its per capita income grow at a CAGR of ~11%.

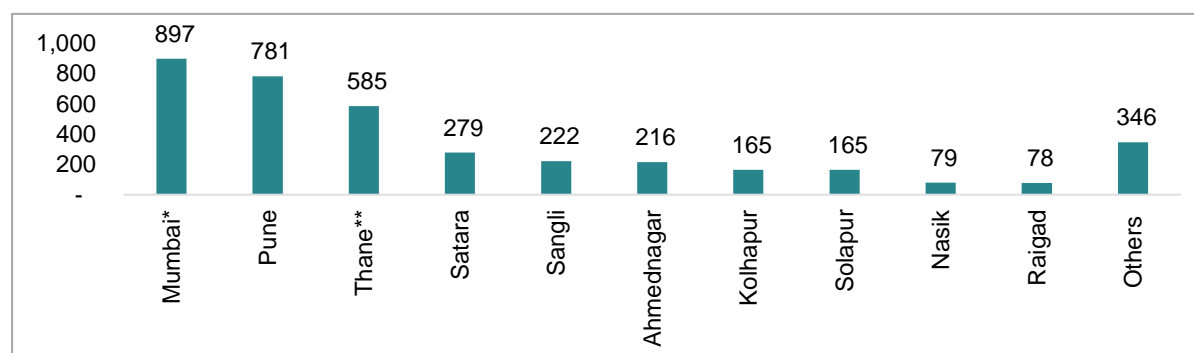
Maharashtra retains its key position in the gems and jewellery industry in India

The state has cemented its position as a key player in the gems and jewellery industry in India, thanks to the presence of the Santacruz Electronic Export Processing Zone (SEEPZ) and Bharat Diamond Bourse (BDB). SEEPZ, which is spread over more than 100 acres in Andheri, Mumbai is an established jewellery designing and trading hub while BDB is one of the largest diamond centres in the world with over 4,000 members engaged in import and export, manufacturing and marketing of rough and polished diamonds.

The state's future prospects with regards to gems and jewellery industry are also positive as indicated in a recent press release dated 19th February 2018, where the Gem Jewellery Export Promotion Council (GJEPC) signed a Memorandum of Association (MoU) with Maharashtra Industrial Development Corporation (MIDC) to establish India's largest jewellery park in Navi Mumbai. The proposed jewellery park, to be christened as 'India Jewellery Park Mumbai', is expected to come up on 25 acres of land with a built-up area of 4 million sq. ft and expected to house more than 5,000 gems and jewellery units.

Top 10 districts account more than 90% of BIS hallmark registered gold jewellery stores in the state

District-wise BIS hallmark registered gold jewellery stores (2016)



Note: Others includes all the remaining districts not listed in the chart above.

*Mumbai includes Mumbai city and suburban districts;

**Thane includes Thane and Palghar districts

Source: BIS website accessed on 6th March 2018, CRISIL Research

The larger urban districts such as Mumbai, Pune and Thane have a higher share in BIS hallmark registered gold jewellery stores in the state. Top 10 districts viz. Mumbai, Pune, Thane, Satara, Sangli, Ahmednagar, Kolhapur, Solapur, Nashik and Raigad account more than 90% of BIS hallmark registered gold jewellery stores in the state.

Top 10 districts account more than 90% of chain stores in the state

The larger urban districts such as Mumbai, Pune and Thane account for the maximum number of chain stores in the state, mainly due to higher levels of awareness, brand consciousness and demand for quality among customers. However, with increasing urbanization levels across the state, the overall share of chain stores in jewellery retailing is expected to increase in the medium to long term.

District-wise breakup of chain stores vs standalone BIS hallmark registered gold jewellery stores (2016)

District name	No. of chain stores	No. of standalone stores
Mumbai	47	850
Pune	62	719
Thane	21	564
Satara	5	274
Sangli	3	219
Ahmednagar	4	212
Kolhapur	3	162
Solapur	6	159
Nashik	7	72
Raigad	2	76
Others	19	327
Maharashtra	179	3,634

Note: The above stores are BIS Hallmark jewellery stores as accessed from the BIS website on 6th March 2018. While Tanishq is not registered with BIS, it has been included in the above data as it is a national chain store category player.

Following brands have been considered for chain (national and regional jewellery stores in Maharashtra: CaratLane, Chandukaka Saraf & Co, Chintamani Jewellers, Joyalukkas, Kalyan Jewellers, Kewalram Ghanshamdas Popley & Sons, Krishna Rajaram Ashtekar & Co, Lagu Bandhu, Malabar Gold, Orra, PC Chandra, PC Jewellers, PN Gadgil, PN Gadgil Jewellers, PN Gadgil & Sons, Ranka Jewellers, Reliance Retail, Surana Jewellers, Senco Gold, Tanishq, TBZ, Waman Hari Pethe Sons Pvt Ltd and Waman Nimbaji Ashtekar Jewellers

Source: BIS website accessed on 6th March 2018, CRISIL Research

Apart from Mumbai and Pune (which have a chain jewellery store count of ~40-45 stores each), the top 25 cities of Maharashtra (based on population as per census 2011) have a relatively lower penetration of national and regional chain jewellery stores. In case of cities like Aurangabad, Kalyan-Dombivli, Nashik, Nagpur, Navi Mumbai, Pimpri-Chinchwad and Thane city, the presence of chain jewellery stores is in the range of 5-10 stores per city, while the count is even lower (less than 5 stores per city) for the balance cities listed below.

List of cities in Maharashtra with chain jewellery store count of less than 5

Sr. No.	City
1	Ahmednagar
2	Akola
3	Amravati
4	Bhiwandi
5	Chandrapur
6	Dhule
7	Jalgaon
8	Kolhapur
9	Latur
10	Malegaon
11	Mira-Bhayander
12	Nanded-Waghala
13	Sangli-Miraj-Kupwad
14	Solapur
15	Ulhasnagar
16	Vasai-Virar

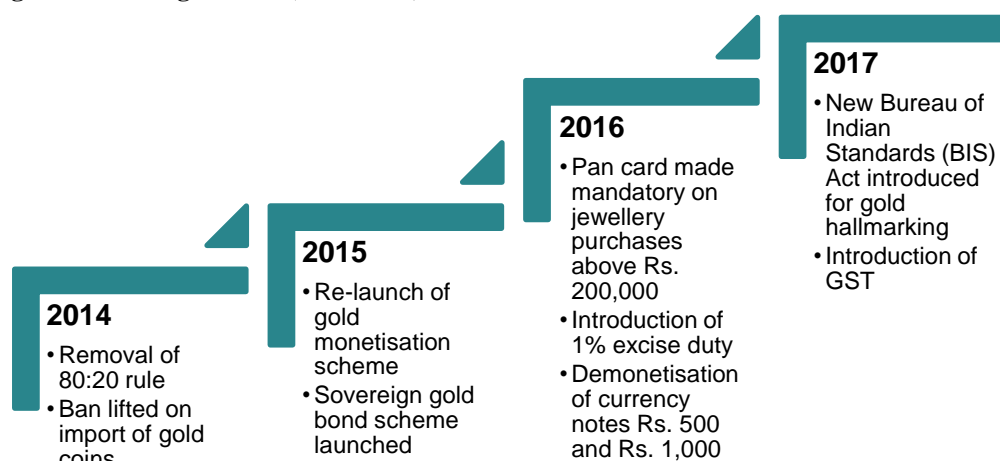
Source: Census 2011, CRISIL Research

3. Key regulations impacting the gems and jewellery industry in India

3.1 Trend in key government initiatives

Government regulations in the gems and jewellery industry have played a crucial role governing prices, demand and exports in the sector. Following are the various government initiatives introduced in India from 2014 to 2017.

Various government regulations (2014-2017)



Source: Industry, CRISIL Research

2014

80:20 Rule

In August 2013, the government had made it mandatory that at least 20% of the imported gold would be re-exported after processing (80:20 rule). For example, for every 100 kg of gold brought into the country, 20 kg had to be re-exported. This move was aimed at controlling the flow of gold into the country by restricting gold imports but had failed to work, with imports shooting up during that period. Measures such as the ban on credit purchases of gold and the 80:20 rule had a high impact.

In May 2014, RBI allowed star/premier trading houses to import gold in accordance with the 80:20 rule. However, at the end of November 2014, the government scrapped the 80:20 gold import rule with the intention to reduce the amount of gold smuggling. Further, scrapping of 80:20 rule eased the supply of gold in the domestic market

and pulled down premiums. In Feb 2015, RBI further issued clarifications related to gold imports making it clear that banks can import gold on consignment basis without showing any end use.

2015

Gold on lease scheme

In July 2013, RBI which imposed a ban on gold-on-lease scheme to curb imports was revoked in May 2014. After the revocation, only few banks were allowed to give gold on lease.

However, in Feb 2015, it completely lifted the ban and allowed all banks to provide gold on credit. During the same month, RBI also lifted the ban on imports of gold coins and medallions. However, restriction on banks in selling coins and medallions are not removed.

Sovereign gold bond scheme and gold deposit scheme (GDS)

In September 2015 Indian government announced two schemes - The sovereign gold bond scheme and the gold deposit scheme (GDS) to channelise investments in gold into more productive sectors of the economy. Sovereign gold bonds is a scheme under which gold bonds denominated in grams of gold are issued to individuals by the Reserve Bank of India (RBI) in consultation with Ministry of Finance. The scheme is aimed at converting the investment demand for physical gold to paper gold.

Gold monetisation scheme

The Gold Monetization Scheme (GMS) in the form of Gold Deposit Scheme (DPS) and Gold Metal Loan (GML), launched in November 2015. The gold deposit scheme will enable creation of a financial asset equivalent to gold for investment purpose as well as interest on the value invested. This is helping reduce dependence on gold imports and alleviate pressure on trade balance. The designated banks accept gold deposits under the short term (1-3 years) bank deposit as well as medium (5-7 years) and long (12-15 years) term GDS.

2016

Pan card made compulsory

On January 1, 2016, the government announced that PAN number was made mandatory for bulk transactions of more than Rs.2 lakhs from Rs.5 lakhs earlier.

1% excise duty on gold

In February 2016, government introduced 1% excise duty on non-silver jewellery items, including gold & diamond jewellery. However, in May 2016, the government decided to roll back the duty imposed. This move came after the country saw widespread strikes by jewelers for 45 days. Also, demand for gold witnessed a drop of over 35-40% coupled with increase in gold prices during the period. In July 2016, the government said that the 1% excise duty would be applicable on traders with turnover worth above Rs 15 crores.

Gold demand impacted due to cash shortage

As per the report titled 'Macroeconomic Impact of Demonetisation- A Preliminary Assessment' released by the RBI on 10th March 2017, demonetization resulted in a temporary surge in demand for gold, with buyers reportedly willing to pay premiums on gold purchases to utilize old currency notes. Since nearly 80% of the jewellery purchase in India is estimated to take place in cash, consumer demand was reported to have been impacted due to the cash shortage. Several other factors also impacted gold demand such as weak rural demand, destocking of earlier purchases, recycling of jewellery of households, increased regulations towards transparency etc. Moreover, high and volatile international gold prices also appeared to have impacted gold demand.

The demonetization impact was also reflected in the volume of gold imports, which increased significantly during November 2016 when compared to the already high October 2016 levels. However, the impact was short-lived with imports declining in December 2016 and January 2017.

However, at an overall level, the impact of demonetization on gold demand has been short-lived once the cash crunch situation eased, thus reviving consumer sentiments and thereby gold demand.

An outcome of demonetization was also a sharp rise in digital modes of payments, with the central government and RBI initiated several measures such as reduction in the merchant discount rate (MDR) and point of sale (POS)

fees, monetary incentives in the form of discounts and prizes, service tax relief on MDR for small transactions etc. to promote non-cash modes of transactions. Thus, there has been a significant improvement in the use of digital modes of payments post demonetisation, although their base is still small.

2017

Revised hallmarking standards

The Bureau of Indian Standards (BIS) has revised the standard on gold hallmarking in India from January 2017. The gold jewellery hallmark will now carry a BIS mark, purity in carat and fineness as well as the unit's identification and the jeweller's identification mark. The hallmarks will be available in three grades of 14 carat, 18 carat and 22 carat as opposed to 23 carat, 22 carat, 21 carat, 18 carat, 17 carat, 14 carat and 9 carat earlier. The move is aimed at ensuring a quality check on gold jewellery. This regulation is expected to significantly reduce the price differentia between organised and unorganised players. Currently, owing to lack of awareness among consumers, unorganised retailers often sell non-hallmarked items with lower-than-stated caratage. This enables them to maintain profitability despite charging lower than organised players. Proper implementation of this rule is likely to impact profitability of unorganised players who will then have to raise their making charges.

Impact of GST

During the first half of 2017-18, the sector faced disruption due to GST implementation. Before GST, gems and jewellery exports were exempt from tax. However, in the new regime, taxes have to be paid on manufacture or purchase, refunds for which can be claimed only after goods have been exported out of India.

The government introduced Goods & Services Tax from July 1, 2017. GST on Gems & Jewellery has been kept at 3% and a tax of 5% on making charges has also been levied. Import duty has been kept unchanged at 10% for 2018-19. This increases the net effective tax rate to ~14% under GST as opposed to an earlier ~12%, which included 10% import duty, 1% excise duty and ~1% VAT. Excise and VAT are subsumed under GST. The new rates have increased retail gold jewellery prices by 1-2%, which is unlikely to have an impact on demand. The overreaching impact of GST is a perceptible shift of the industry from unorganized to organized play.

Impact of other government initiatives for the gems and jewellery sector are as follows:

3.2 Import duty and FDI norms

Import duty to remain unchanged in 2017-18

Import duty on gold is estimated to be kept at 10% (as of August 2013) levels in the short term, to check imports and thereby CAD.

Also, government is currently keen on promoting use of recycled gold which is lying idle in the economy, and discouraging imports. Though its gold monetisation and gold bonds schemes, introduced in October 2015, are gaining some traction, the impact is not yet sizeable. Six tonnes of gold have been deposited (till February 2017) under the gold monetisation scheme while the gold bond scheme has attracted investments of approx. 4.9 tonnes in first three tranches.

100% FDI permitted under the automatic route

The Government of India has permitted 100 per cent FDI under the automatic route in this sector. Subject to the provisions of the FDI policy, foreign investment in 'manufacturing' sector is under automatic route. Further, a manufacturer is permitted to sell its products manufactured in India through wholesale and/or retail, including through e-commerce, without Government approval.

3.3 Budget provisions

Levy of excise duty on gold jewellery and mandatory disclosure of PAN card details in Budget 2016-17

All jewellers with turnover of more than Rs. 150 million are required to pay excise duty of 1% primarily aimed at curbing under-invoicing and unaccounted transactions by small and medium jewellers. This is expected to impact volume of players indulging in unscrupulous business practices and curtail flow of black money into unaccounted gold, which in turn is likely to adversely impact profitability of these jewellers.

From 2016 PAN card was made mandatory for purchase of bullion or jewelry worth Rs 2 Lakh per transaction.

Custom duty on cut and polished diamonds and coloured gemstones doubled in Budget 2018-19

The government in its general Budget 2018-19 has doubled custom duty on cut and polished diamonds and cut and polished coloured gemstones from 2.5% to 5%. Custom duty for imitation jewellery has also been increased from 15% to 20%. Import duty on gold was however kept unchanged at 10%.

Comprehensive Gold Policy on the anvil to develop yellow metal as an asset class

In the general budget 2018-19, the Finance Minister Shri Arun Jaitley announced that the government will formulate a comprehensive Gold Policy to develop gold as an asset class. He further stated that the government will also establish a system of consumer friendly and trade efficient system of regulated gold exchanges in the country. He added that the Gold Monetization Scheme will be revamped to enable people to open a hassle-free Gold Deposit Account.

4. Key players in the gems and jewellery industry in India

Most chained jewellers in India are engaged in manufacturing and selling of gold, silver and diamond jewellery. Following are some of the major players in the industry:

Key national chain store players - operational details

Players	Year of establishment of the parent brand	Key product segments	Brands	Store count*	Regional presence	Store count in Maharashtra
Kalyan Jewellers India Limited	1993**	Gold, diamond and platinum, jewellery, gemstones	Mudhra, Tejasvi, Glo, Sankalp, Eterna, Antara, Nimah, Rang, Hera and Anokhi	118	Pan India International; Kuwait, Abu Dhabi, Ajman, Dubai, Ras Al Khaimah, Sharjah, Al Khor, Al Rayyan, Al Wakrah, Doha and Muscat	6
PC Jeweller Limited	2005	Gold and diamond jewellery, silver items	NA	85	Pan India	2
Titan Company Limited	1995#	Gold, diamond silver and platinum, jewellery,	Tanishq, Mia, Caratlane, Zoya	309^	Pan India	41
Tribhovandas Bhimji Zaveri Limited	1864	Gold, diamond and platinum, jewellery, gemstones , Jadau jewellery	NA	37	Pan India	15

Note: NA - Not available

* Store counts are sourced from company websites accessed as of 26th March 2018.

**Kalyan jewellers India Ltd. entered the jewellery retailing business in the year 1993; The group is originally into textile retailing and wholesaling since over 100 years.

Titan watches limited was established in the year 1984; company started its jewellery brand 'Tanishq' in the year 1995.

^ Titan company limited reported 243 Tanishq stores (including 3 Zoya sotres), 4 Gold plus stores, 32 Mia stores and 30 carat lane showrooms in their Q3 FY17-18 investor presentation dated February 2018.

Source: Company website and annual reports, CRISIL Research

National chain store players - financial details

Company name	Standalone/ consolidated	Revenue from operations (Rs million)	Revenue from exports (Rs million)	Past 3 years CAGR (%)* *	Operating margin (%)	Net margin (%)
Kalyan Jewellers India Limited*	Standalone	80,127	NA	-	2.5%	0.3%
PC Jeweller Limited	Consolidated	84,796	30,681	17%	8.9%	4.9%
Titan Company Limited (Jewellery business)	Consolidated	103,487	NA	6%	10.1%	9.6%
Tribhovandas Bhimji Zaveri Limited	Consolidated	17,002	NA	-2%	4.1%	0.9%

Company name	No. of stores as of FY17	No. of stores (latest available data)	Average revenues per store (Rs million) #	Advertising spends as % of revenue (%)
Kalyan Jewellers India Limited*	73	118	1,098	2.3%
PC Jeweller Limited	75	85	723	0.3%
Titan Company Limited (Jewellery business)	286	309^	362	NA
Tribhovandas Bhimji Zaveri Limited	33	37	515	2.2%

Note: NA - Not available

Above data points are for the period FY 2016-17;

* Financials and store count for Kalyan Jewellers India Limited are as of FY 2015-16.

** CAGR for three year period from FY14 to FY17

Average revenues per store are a result of revenue from operations divided by number of stores as of the same financial year.

^ as of February 2018.

Source: Company reports annual reports, CRISIL Research

Maharashtra based regional chain store players – operational details

Players	Year of establishment of the parent brand	Key product segments	Brands	Store count*	Regional presence	Store count in Maharashtra
Chintamanis Jewellery Arcade Private Limited	1993	Gold, platinum and diamond jewellery, men's jewellery, forevermark diamond and jadau	NA	6	Maharashtra and Goa	5
P N Gadgil Jewellers Private Limited	1832	Gold, diamond and silver jewellery, pooja articles, gift items, other gemstone ornaments, perfumes	NA	26	Maharashtra, Goa, Indore, Dubai and USA	19
P. N. Gadgil & Sons Limited	1832**	Gold, diamond and silver jewellery, pooja articles, gift	NA	25	Maharashtra, Gujarat and Karnataka	23

Players	Year of establishment of the parent brand	Key product segments	Brands	Store count*	Regional presence	Store count in Maharashtra
		items, other gemstone ornaments				
Waman Hari Pethe Jewellers India Private Limited	1909	Gold, diamond, platinum and silver jewellery, , men's jewellery, kid's jewellery, silver articles, pooja articles, gemstones	NA	21	Maharashtra, Goa and Madhya Pradesh	15
Waman Hari Pethe Sons Private Limited	1909	Gold and diamond jewellery	NA	12	Maharashtra	12

Note: NA - Not available

* Store counts are sourced from company websites accessed as of 26th March 2018.

** Converted from the Erstwhile Partnership Firm to public limited company by the name of 'P. N. Gadgil and Sons Limited' in November 2017.

Source: Company website and annual reports, CRISIL Research

Maharashtra based regional chain store players - financial details

Company name	Standalone/ consolidated	Revenue from operations (Rs million)	Revenue from exports (Rs million)	Past 3 years CAGR (%)*	Operating margin (%)	Net margin (%)
Chintamanis Jewellery Arcade Private Limited	Standalone	783	NA	-10%	4.6%	0.4%
P N Gadgil Jewellers Private Limited	Standalone	22,095	NA	6%**	4.0%	0.5%
P. N. Gadgil & Sons Limited	Standalone	15,460	NA	10%	6.5%	3.1%
Waman Hari Pethe Jewellers India Private Limited	Standalone	450	NA	-19%**	6.2%	3.4%
Waman Hari Pethe Sons Private Limited	Standalone	6,194	NA	1%	3.8%	0.5%

Company name	No. of stores as of FY17	No. of stores (latest available data)	Average revenues per store (Rs million) #	Advertising spends as % of revenue (%)
Chintamanis Jewellery Arcade Private Limited	NA	6	130	1.7%
P N Gadgil Jewellers Private Limited	NA	26	850	NA
P. N. Gadgil & Sons Limited	16	25	966	0.8%
Waman Hari Pethe Jewellers India Private Limited	NA	21	21	0.2%
Waman Hari Pethe Sons Private Limited	NA	12	516	1.1%

Note: NA - Not available

Above data points are for the period FY 2016-17;

* CAGR for three year period from FY14 to FY17

** CAGR for the period FY15 to FY17.

Average revenues per store are a result of revenue from operations divided by number of stores as of the same financial year wherever available. No. of stores as per latest available data have been considered otherwise.

Source: Company reports annual reports, CRISIL Research

Key Observations:

- Among the regional chains based in Maharashtra as listed above, P. N. Gadgil & Sons Limited and Waman Hari Pethe Sons Private Limited revenues have grown at a faster pace during the past 3 years (FY2014-2017) as compared to the domestic industry which registered a marginal decline of 2% during the corresponding period.
- Amongst the key regional chains based in Maharashtra as listed above, P N Gadgil Jewellers Private Limited and P. N. Gadgil & Sons Ltd enjoy the maximum vintage with the parent brand being established in 1832.
- Among the regional players in Maharashtra, P. N. Gadgil & Sons Ltd has the largest number of stores in the state followed by P N Gadgil Jewellers Private Limited as per BIS gold hallmarked stores in the state.
- Among the key jewellery chains in Maharashtra, P. N. Gadgil & Sons Ltd is placed far better than its peers with respect to average revenue per store. P. N. Gadgil & sons stands second in average revenue per store, amongst both national and regional jewellery chains as compared above, during fiscal 2017.
- Among the key jewellery chains in Maharashtra, P. N. Gadgil & Sons Ltd recorded better operating level performance as compared to its peers during fiscal 2017.

Other listed player - operational details

Players	Year of establishment of the parent brand	Key product segments	Brands	Store count*	Regional presence	Store count in Maharashtra
Thangamayil Jewellery Ltd	2000	Gold and diamond jewellery, men's jewellery, kid's jewellery, silver articles	-	32	Tamil Nadu	-

Note: NA - Not available

* Store counts are sourced from company websites accessed as of 26th March 2018.

Source: Company website and annual reports, CRISIL Research

Other players - financial details

Company name	Standalone/ consolidated	Revenue from operations (Rs million)	Revenue from exports (Rs million)	Past 3 years CAGR (%)*	Operating margin (%)	Net margin (%)
Thangamayil Jewellery Ltd	Standalone	12,936	NA	3%	3.7%	1.1%

Company name	No. of stores as of FY17	No. of stores (latest available data)	Average revenues per store (Rs million) #	Advertising spends as % of revenue (%)
Thangamayil Jewellery Ltd	31	32	417	0.8%

Note: NA - Not available

Above data points are for the period FY 2016-17;

* CAGR for three year period from FY14 to FY17

Average revenues per store are a result of revenue from operations divided by number of stores as of the same financial year wherever available.

Source: Company website and annual reports, CRISIL Research

Average inventory turnover (times)

Company name	2014-15	2015-16	2016-17
Chintamanis Jewellery Arcade Private Limited	3.5	2.7	2.2
Kalyan Jewellers India Limited	2.4	2.5	NA
P N Gadgil Jewellers Private Limited	NA	NA	NA
P. N. Gadgil & Sons Ltd	10.6	9.5	6.7
PC Jeweller Limited	2.0	1.8	1.9
Thangamayil Jewellery Ltd	4.5	4.3	4.2
Titan Company Limited (Jewellery business)	NA	NA	NA
Tribhovandas Bhimji Zaveri Limited	1.7	1.4	1.5
Waman Hari Pethe Jewellers India Private Limited	6.5	4.6	3.6
Waman Hari Pethe Sons Private Limited	3.2	2.9	2.7

Source: Company website and annual reports, CRISIL Research

4.1 Peer profiles

List of CRISIL rated companies

Players	Last rating action	Short term rating	Amount rated (Rs. Million)	Long term rating	Amount rated (Rs. Million)
Chintamanis Jewellery Arcade Private Limited	July-14	-	-	Suspended	130
P N Gadgil Jewellers Private Limited	January-18	CRISIL A2	700	CRISIL BBB+	2,890
PC Jeweller Limited	August-17	CRISIL A1	13,602.8	CRISIL A+	25,767.2
Thangamayil Jewellery Ltd	December-12	-	-	Suspended	2,390
Titan Company Limited	July-17	CRISIL A1+	9,500	CRISIL AA+	9,000
Tribhovandas Bhimji Zaveri Limited	June-17	-	-	CRISIL BBB+	7,350
Waman Hari Pethe Sons Private Limited	March-15	-	-	Suspended	1,850

Source: CRISIL Research

List of ICRA rated companies

Players	Last rating action	Short term rating	Amount rated (Rs. Million)	Long term rating	Amount rated (Rs. Million)
Chintamanis Jewellery Arcade Private Limited	November-17	ICRA A4	-	ICRA BB-	230
Kalyan Jewellers India Limited	October-17	ICRA A2+	-	ICRA A-	31,220
P. N. Gadgil & Sons	September-17	ICRA A1	50	ICRA A	2,020
Thangamayil Jewellery Ltd	December-17	ICRA A3+	-	ICRA BBB	2,400
Titan Company Limited	August-17	ICRA A1+	1,000	ICRA AA+	2,000

*Source: CRISIL Research***Ratings by other agencies**

Players	Rating agency	Last rating action	Short term rating	Amount rated (Rs. Million)	Long term rating	Amount rated (Rs. Million)
Kalyan Jewellers India Limited	CARE	April-14	-	-	Suspended	14,682.5
P. N. Gadgil & Sons	CARE	November-17	CARE A1	50	CARE A	2,270
PC Jeweller Limited	IND	January-18	IND A1+	5,000	-	-
Tribhovandas Bhimji Zaveri Limited	IND	June-17	IND A2	1,000	-	-
Waman Hari Pethe Sons Private Limited	BWR	February-18	-	-	BWR BBB+	1,700

Source: CRISIL Research

OUR BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” on page 16 for a discussion of the risks and uncertainties related to those statements and the section “Risk Factors” on page 17 for a discussion of certain risks that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

References herein to “we”, “our” and “us” are to P. N. Gadgil & Sons Limited.

Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year, or “FY”, are to the 12 months ended March 31 of that year. Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Information included in this Draft Red Herring Prospectus beginning on page 162.

Industry and market data used in this section has been extracted from the CRISIL Report. For further details and risks in relation to commissioned report, see “Risk Factors – Certain sections of this Draft Red Herring Prospectus disclose information from an industry report commissioned by our Company and any reliance on such information for making an investment decision in the Issue is subject to inherent risks” on page 32 and “Certain Conventions, Presentation of Financial Industry and Market Data – Industry and Market Data” on page 13.

Overview

We are one of the leading and trusted retail jewellery companies in Maharashtra. The legacy of the “P. N. Gadgil” brand traces back over six generations to the year 1832. Prior to the incorporation of our Company in the year 2017, consequent to its conversion from the Erstwhile Partnership Firm, the current business was carried on by our Promoters in the name of such Erstwhile Partnership Firm.

Our offerings include gold jewellery, silver jewellery, idols and other silverware, diamonds and diamond jewellery and other gemstones jewellery and related gift items. We have the ability to create localised product mixes in our stores to suit regional tastes. We cater to our customers’ unique preferences, through our understanding of the regional market, as well as region-specific advertising and marketing campaigns.

We offer a wide range of products from jewellery for special occasions such as weddings and festivals to daily-wear jewellery for all ages, genders and across various price points. We cater to a variety of customers across high-end market, mid-market and value market segments and our products are designed by our in-house team of creative designers allowing us to manage a large and diverse portfolio of designs. We have a dedicated design team, focused on developing new products and designs that meet customers’ requirements. We also customise jewellery for individual needs. We engage artisans and contract manufacturers to manufacture our jewellery.

As on March 2018, we are the 2nd largest in terms of the store count in Maharashtra (*Source: CRISIL Report*). Our stores are divided into three formats, primarily on account of the size of the store, namely 11 ‘large format stores’ (above 3,500 sq. ft. of built up area), six ‘medium-format stores’ (above 2,200 sq. ft. of built area up to 3,500 sq. ft. of built up area) and eight ‘small-format stores’ (above 1,000 sq. ft. of built up area up to 2,200 sq. ft. of built up area). As of March 31, 2018, we have 23 stores in Maharashtra and one store in Gujarat and Karnataka each, with an aggregate built-up area of 100,213 sq. ft. For efficient management and operations, our Company has divided its stores into three separate zones as per our zonal model, namely Pune-zone, Nashik-zone and Solapur-zone. Our store network has also increased from two stores as on April 1, 2012 to 25 stores as on March 31, 2018. We further intend to expand our footprint by increasing our store count to 29 by end of FY2019 and 40 by end of FY2020. All of our stores are operated and managed by us. We also sell our products through our online platform at www.onlinepng.com.

We have implemented quality control practices across the value chain to ensure that we sell hallmarked gold jewellery up to 22 karats in line with the quality and purity metrics prescribed by BIS. All diamond jewellery that we sell is certified by IGI and loose diamonds that we sell are certified by GIA. Further, various quality control practices are followed during the designing and manufacturing of our jewellery.

Our business has grown rapidly in recent years. Following table sets forth our revenue details as per product category in last three Fiscals:

Revenue from Operations from the Sale of	Fiscal 2018		Fiscal 2017		Fiscal 2016	
	Amount (₹ million)	% of Total Revenue from Operations	Amount (₹ million)	% of Total Revenue from Operations	Amount (₹ million)	% of Total Revenue from Operations
Gold jewellery	15,121.06	82.32	12,966.95	83.87	14,386.09	86.98
Silver utensils, silver idols and silver ware	777.80	4.23	696.93	4.51	818.89	4.95
Diamonds and diamond jewellery	588.64	3.20	362.63	2.35	9.69	0.06
Platinum jewellery	13.83	0.08	8.91	0.06	0.10	0.00
Making charges	1987.22	10.82	1,512.33	9.78	1,392.44	8.42
(Discount)	(121.03)	(0.66)	(87.65)	(0.57)	(67.27)	(0.41)
Total revenue from operations	18367.52	100.00	15,460.10	100.00	16,539.94	100.00

Between Fiscal 2014 and Fiscal 2018, our total revenue grew at a CAGR of 12.20% from ₹ 11,591.90 million for Fiscal 2014 to ₹ 18,367.52 million for Fiscal 2018, EBITDA grew at a CAGR of 18.76% from ₹ 572.38 million for Fiscal 2014 to ₹ 1,138.70 million for Fiscal 2018 and our PAT grew at a CAGR of 24.84% from ₹ 236.97 million for Fiscal 2014 to ₹ 575.58 million for Fiscal 2018.

Our Strengths

Long history, established brand name and transparent processes

We believe that “P. N. Gadgil” is a trusted jewellery brand amongst customers owing to its legacy and association with quality and purity. The “P. N. Gadgil” brand is known for its long-standing history since 1832. Our Company has 25 stores as on March 31, 2018 comprising of 23 stores in Maharashtra and one each in Gujarat and Karnataka. For further details, see “- Our stores” herein below. Going forth, we intend to expand our footprint by increasing our store count to 29 by FY2019 and 40 by FY2020. For further details, see “Objects of the Issue” on page 80.

We hallmark all our gold products sold up to 22 karats to ensure quality and purity of products, which is in line with the quality and purity metrics as prescribed by BIS. All diamond jewellery we sell is certified by IGI and loose diamonds sold by us are certified by GIA. We bar code our products, whereby, all our jewellery items are accompanied by a detailed break-up of the gross weight, net weight, diamond weight and making charges, as applicable, so as to ensure transparency and instill confidence in our customers. Our stores are equipped with karatmeters to allow customers to verify the purity of precious metals and jewellery sold by us.

To ensure transparent pricing we fix gold rates purity-wise for all our products, centrally from our Registered and Corporate Office at Pune, which provides our customers the benefit of availing a uniform gold rate and product prices across all our stores.

We exchange gold and gold jewellery purchased from us on weight to weight and karat basis. However, in cases where gold and gold jewellery is not purchased from us we exchange the same on net weight basis using karatmeter analysis. We also have a 100% exchange policy on our diamond jewellery including making charges. Further, we believe that in light of the above practices and policies followed by us we are also able to get an increased business from customers as well as retain and attract new customers.

While we primarily operate in non-metropolitan centres, talukas and districts we believe that we have a competitive advantage that aids in customer service and satisfaction as we follow standardise services and practices across all our stores.

We intend to continue to focus on such efforts that are aimed at promoting our principles. We believe that our reputation and brand image is built on trust and transparency, which is critical to the success of our business.

Network of strategically located stores

We focus on jewellery retail and have rapidly expanded our retail network of strategically located stores in recent years which helps us to achieve logistical convenience in inventory management. Our store network increased from 2 stores as on April 1, 2012 to 25 stores as on March 31, 2018 with an aggregate built-up area of approximately 100,213 sq. ft. comprising of 11 'large format stores' (above 3,500 sq. ft. of built up area), six 'medium-format stores' (above 2,200 sq. ft. of built area up to 3,500 sq. ft. of built up area) and eight 'small-format stores' (above 1,000 sq. ft. of built up area up to 2,200 sq. ft. of built up area). Further, for efficient management and operational efficiency, our stores have been divided into three separate zones namely Pune, Nashik and Solapur pursuant to implementation of our zonal model. As on March 2018, we are the 2nd largest in terms of the store count in Maharashtra (*Source: CRISIL Report*). Most of our stores are located in non-metropolitan centres, talukas and districts, which are carefully chosen and allow us to benefit from access to a larger catchment of population from surrounding areas many of which we believe have a high demand for quality products which are not adequately catered by the unorganised players present in those markets.

We follow a detailed store selection methodology, including in-house surveys and analysis of various demographic features of areas where we propose to expand. We conduct detailed surveys, which take into consideration variety of factors including occupation of residents in the locality, catchment area, dependence on markets of selected locations, quantum of disposable income, existence of other jewellery and non-jewellery brands, existence of other industries, existence of banks and general education level of the population. We believe that our stores, located strategically and having high visibility, provide our customers with a standardized experience in terms of product variety. Customer service, practices and uniform pricing, which reinforces our positioning as a trusted jewellery retailer. We believe that our stores enable us to offer a wide range of products for all age groups and across various price points attracting a diverse customer base, ensure effective inventory management and provide benefits of scale.

Diversified product portfolio

We manufacture and sell a wide range of products from jewellery for special occasions, such as weddings and festivals to daily-wear jewellery. Our products are suitable for all age groups. Further, we have products across various price points to cater to a variety of customers across high-end market, mid-market and value market segments, which are designed by a team of creative designers allowing us to manage a large and diverse portfolio of designs. We also customise jewellery for individual needs.

Over the years, we have launched many creative collections in gold, silver and diamond jewellery. We have introduced a range of jewellery collections which are designed to cater to specific customer preferences such as 'Light Weight Beauty' which is our jewellery in value market segment, 'Love again and again' diamond jewellery, 'Saptapadi Bridal' jewellery and 'Lantern Collection' which is our temple jewellery collection. Our product portfolio, which is designed by an in-house team of creative designers allows us to manage a large and diverse portfolio of designs, including traditional, contemporary and fusion designs across jewellery lines, usages and price points. Our wide range of gold jewellery, silver jewellery and idols and other silverware, diamonds and diamond jewellery and other gemstones jewellery and related gift items reflects the regional customer preferences and designs. Further, we believe that our focus on the intricacy of designs coupled with our ability to recognize customer preferences and market trends are amongst our key strengths. We have launched products that address specific customer niches such as antique jewellery, which caters to mid-to-high-end customers. We have demonstrated our capability of having wide range of jewellery and intricate designs, which have been showcased in movies and television programmes. For further details, see "*Our Business – Our Operations – Products*".

Through the wide network of our stores, we had a net sale of 4,919.22 kgs, 4,132.09 kgs and 5,136.50 kgs of gold and gold products during the Fiscals 2018, 2017 and 2016 and a net sale of 14,792.05 kgs, 12,022.49 kgs and 17,821.80 kgs of silver and silver products during the Fiscals 2018, 2017 and 2016.

Strong understanding of customer preferences

India was the 2nd largest gold consuming country in the world during 2017. (*Source: CRISIL*) We believe that we can appeal to our customers through our understanding of regional market preferences, our knowledge and experience. We offer jewellery designs in our stores that are tailored to such regional tastes. In order to cater to customers with regional tastes in jewellery designs and styles, we engage local artisans as contract manufacturers to manufacture our jewellery. We believe that our understanding of regional preferences and tastes coupled with

variety of regional designs and jewellery offered by us, provides us with a competitive advantage in the markets in which we currently operate.

Through our strategy of catering to regional preferences, we believe that we are able to effectively compete with both unorganised and organised jewellers by establishing customer rapport at a local level. Our strategy is to implement this by hiring local personnel for our stores who are fluent in the regional language as well as our brand positioning and region-specific marketing efforts. Pursuant to implementation of zonal modal, these decisions are taken at the zonal level in order to improve overall performance and operational efficiency.

Effective internal control and processes

We have established a set of operational and control practices to manage our business operations and to support our future growth at both the store and corporate level. Given the high value nature of our jewellery, our inventory management and internal audit procedures are critical to the success of our business. Our inventory procurement is centralized, which enables us to benefit from economies of scale and to maintain quality and security standards. We track our inventory from the initial procurement of raw materials to ultimate sales in our stores. We barcode each piece of finished goods inventory and conduct regular inventory counts at our stores. These measures are coupled with an integrated enterprise resource planning (“ERP”), system that allows us to monitor inventory and sales through a centralised platform. All our stores have strong rooms / safes for the safe storage of jewellery. We have contracts with various private security agencies who are required to provide security guards to all our stores, 24 hours a day. All stock is adequately insured across all branches. We also use services of a logistics company to transport our valuable products.

Our ERP system is designed to enable our management to manage various aspects of our operations from a centralized platform, including procurement of raw materials and semi-finished products, inventory management, human resource, sales and finance functions. In order to improve efficiency, we have divided our stores in three zones and whereby the Corporate Office focuses on procurement of raw material, designing and manufacturing of products and the decisions relating to marketing, inventory management and human resource are taken at the zonal level in consultation with the Corporate Office. Our systems enable our zonal level management to report performance in real time, which is reviewed by our senior management and board of directors and enable them to provide necessary course correction and strategic guidance. Our inventory management system facilitates efficient operations, for example, by identifying slower moving jewellery items at any store, which can then be reallocated to other stores with greater sales potential for those particular items. Further, these systems enable management to respond more effectively to changing seasonal consumption patterns to replenish or reallocate inventory based on customer demand.

Experienced Promoters supported by senior management team

Our Promoters have significant experience in the jewellery sector.

We believe the experience of our Promoters and senior management has been critical to our success and business growth. The family of one of our Promoters, namely Govind Gadgil has been associated with the jewellery industry since 1832. Further, Govind Gadgil himself has 40 years of experience in this industry. We believe that the experience of our senior management personnel such as our Whole-time Director and Chief Executive Officer, Amit Modak, has translated into the enhancement of our product quality, increased profitability and improved margins which give us a competitive edge. The strong relationships that our Promoters and senior management share with our suppliers and other industry participants have been instrumental in implementing our growth strategies

Our Strategies

Leverage our scalable business model to expand our store network

The Indian jewellery industry is expected to continue to witness a shift in demand in favour of organised jewellery companies gaining market shares from the unorganised market (*Source: CRISIL Report*). We believe that our strong brand, scalable business model, effective operational and security processes position us well to capitalize on the market opportunity, and we intend to expand our network of stores across Maharashtra and / or adjoining states.

Our store network increased from 2 stores as on April 1, 2012 to 25 stores as on March 31, 2018. As a result of the foregoing, we believe that we have gained significant experience in launching stores and expanding into new markets. The Company has implemented a zonal model to measure performance at zonal level. Pursuant to which our stores have been divided into three separate zones namely Pune, Nashik and Solapur. We intend to expand our footprint by increasing our store count to 29 by end of March 2019 and 40 by end of March 2020.

We aim to enter new markets primarily in non-metropolitan centres, talukas and districts where we can potentially gain market share from regional players including the unorganized sector by carving a niche through our diversified product offerings, designs, price structure, transparent practices, customer service, reputation and by utilizing our name and goodwill, which has been established over years. We believe that our stores, located strategically and having high visibility, provide our customers with a standardized experience, practices and uniform pricing which reinforces our positioning as a trusted jewellery retailer. We intend to consolidate our position in several existing markets by leveraging our brand visibility and goodwill established through our existing stores in these markets. Going forward, we intend to continue to utilise many of these strategies that have allowed us to succeed in opening proposed new stores and expand into new markets. For details see “*Objects of the Issue*” on page 80.

We intend to continue to follow a detailed store selection methodology. We analyse and take into consideration variety of factors including occupation of residents in the locality, catchment area, dependence of other villages or small towns in the vicinity, quantum of disposable income, existence of other jewellery and non-jewellery brands, existence of other industries, existence of banks and general education level of the population. Going forth, we intend to continue to follow our detailed store selection methodology.

Expanding our product offerings

We intend to continue to expand our existing range of product offerings to cater to customers across price points through creative designs and adding new collections. We have an in-house design team focused on developing new products and designs that meet customers’ requirements. Over the years, we have launched many creative collections in gold, silver and diamond jewellery. In the last few years, we have introduced a range of jewellery collections which are designed to cater to specific customer preferences such as ‘*Light Weight Beauty*’ which is our jewellery in value market segment, ‘*Love again and again*’ diamond jewellery, ‘*Saptapadi Bridal*’ jewellery and ‘*Lantern Collection*’ which is our temple jewellery collection]. We have a wide range of jewellery designs with intricate designs, which have been showcased in movies and television programmes. We also intend to focus on our diamond jewellery sales by cross-selling diamond jewellery to gold jewellery buyers, introducing diamond jewellery promotion schemes and launching new diamond jewellery products at various price points.

Continue to invest in our marketing and brand building initiatives

Our marketing and promotion efforts seek to increase sales by increasing brand awareness that stimulates interest in our product range and entrench our position in the regional jewellery industry. Since we are launching stores and expanding into new markets we shall increase spending on our marketing and brand building initiatives. The key marketing channels that we use on an ongoing basis include customer advertisements with specific coverage in events and newspapers, outdoor billboards and signage, online, radio and television advertisements. We believe our branding strategy helps us to retain existing customers and attract new customers. We intend to continue investing in our marketing initiatives and brand building exercise, including advertising through various media. Further, we also continue to provide effective training to our sales personnel in sales techniques and product knowledge. We believe that effective marketing is important for future revenue growth, enhancing our brand visibility, to establish relationships with target markets and to sell our products in a competitive and cost-effective manner. We believe that these measures contribute to enhancing our brand and customer familiarity and loyalty and result in increased sales. In order to increase footfalls in our existing as well as proposed new stores, we plan to continue our marketing activities such as advertising, organising events, participating in exhibitions, promotions and launching new product collection/ designs.

The ability to differentiate our brand, products and our stores from our competitors through our branding, marketing and advertising programs is an important factor in attracting customers. As the majority of our income is derived from our retail activities, creating and maintaining public awareness of our brand is crucial to our business. Accordingly, we invest in various marketing and advertising campaigns.

Brief History

Our Company has been incorporated pursuant to the conversion of the Erstwhile Partnership Firm under Part I of Chapter XXI of the Companies Act, 2013 on November 6, 2017. Prior to this, the current business was carried on by our Promoters in the name of such Erstwhile Partnership Firm. The legacy of the “P. N. Gadgil” brand in jewellery traces back over six generations since the year 1832. For further details, see “*History and Other Corporate Matters*” on page 133.

Following table sets forth certain key milestones in our corporate and business development since incorporation of the partnership firm in 2012:

Calendar Year	Particulars
2012	Commenced operation with two stores at Chinchwad (Pune) and Nashik
2012	Commenced the operation of our 5 th store at Mumbai
2013	Commenced the operation of our 10 th store at Dhule
2016	Commenced the operation of our 15 th store at Vadodara
2017	Commenced the operation of our 20 th store at Pandharpur
2018	Commenced the operation of our 25 th store at Osmanabad

Our Operations

Products

We manufacture and sell a wide range of products from jewellery for special occasions such as weddings and festivals to daily wear jewellery for all ages and genders. Further, we have products across various price points to cater to a variety of customers across high-end market, mid-market and value market segments which are designed by an in-house team of designers allowing us to manage a large and diverse portfolio of designs which caters to traditional and regional tastes of the customers. We also customise jewellery for individual needs.

Within these product categories, we provide a wide range of gold jewellery including jewellery sets, bangles, rings, mangalsutra, and other accessories; latest range of diamonds jewellery including rose gold jewellery; silver utensils, silver idols, silverwares; and other gifting items. Our broad product range allows us to cater to customers across all age groups and across all price points. Furthermore, our jewellery is aimed at catering to regional preferences in the markets in which we operate, and we engage local artisans as contract manufacturers to produce jewellery that aligns with regional tastes in jewellery designs and styles.

The following table provides a breakdown of our revenue for the Fiscals 2018, 2017 and 2016 and by product category:

Product Mix	Fiscal 2018			Fiscal 2017			Fiscal 2016		
	Kgs/ Karat	Amount (₹ million)	% of Total Revenue from Operations	Kgs/ Karat	Amount (₹ million)	% of Total Revenue from Operations	Kgs/ Karat	Amount (₹ million)	% of Total Revenue from Operations
Gold jewellery	4,919.22	15,121.06	82.32	4,132.09	12,966.95	83.87	5,136.50	14,386.09	86.98
Silver utensils, silver idols and silver ware	14,792.05	777.80	4.23	12,022.49	696.93	4.51	17,821.80	818.89	4.95
Diamonds and diamond jewellery	7,129.12	588.64	3.20	4,661.46	362.63	2.35	125.16	9.69	0.06
Platinum jewellery	Not measurable	13.83	0.08	Not measurable	8.91	0.06	Not measurable	0.10	0.00
Making charges	-	1,987.22	10.82	-	1,512.33	9.78	-	1,392.44	8.42

Product Mix	Fiscal 2018			Fiscal 2017			Fiscal 2016		
	Kgs/ Karat	Amount (₹ million)	% of Total Revenue from Operations	Kgs/ Karat	Amount (₹ million)	% of Total Revenue from Operations	Kgs/ Karat	Amount (₹ million)	% of Total Revenue from Operations
(Discount)	-	(121.03)	(0.66)	-	(87.65)	(0.57)	-	(67.27)	(0.41)
Total		18,367.52	100.00		15,460.10	100.00		16,539.94	100.00

Manufacturing Process

We are engaged in the complete value chain of the manufacturing process from designing of jewellery to selling of finished products. In order to manufacture the jewellery sold in our stores, we are involved in designing of jewellery, procurement of raw materials and quality control of the finished products received. However, we engage local artisans as contract manufacturers to manufacture our jewellery with localised designs in line with regional preferences.

Our manufacturing process includes:

Design

We have a team of in-house designers who design jewellery based on dedicated themes and the design process is focused on developing new products and designs that meet customers' requirements. The design team works to understand customer requirements through customers' feedback so as to introduce new designs in line with customer expectations. Designs are created on the basis of an analysis of past and current trends. Our procurement head finalises the designs. The finalized designs are then sent to artisans for creating sample jewellery which once approved is used for further manufacturing.

Procurement of raw materials

Raw materials, which we use for our manufacturing purposes, include gold, silver, diamond and precious stones. Gold forms more than 90% of our raw material cost.

We have a centralized system of inventory/ raw material procurement. We purchase diamonds from sightholders who are authorized bulk purchasers of rough diamonds and listed with the De Beers Global sightholder sales list. We purchase gold bars and silver bars from authorised bullion dealers and banks and scrap gold across the counter. The gold jewellery purchased through our exchange policy and scrap gold purchased across the counter is refined into gold bars, which are used as the raw material for new products. Further, if the price of gold increases, we purchase less volume of gold compared with the volume of gold sold and vice versa. This practice helps to mitigate the risk of changes in gold prices as we purchase gold in bulk to optimize our profitability. These purchases are a combination of new gold bullion and "old gold" that is purchased for refinement. Further, we have also implemented quality control practices to ensure that we only sell hallmarked products for all gold jewellery up to 22 karats in line with the quality and purity metrics prescribed by BIS. Our gold deposit scheme in which any customer can deposit a minimum of 20 grams (10 grams thereafter) of gold for particular period also helps us by acting as a natural hedge against fluctuations in the rate of gold.

Jewellery Manufacturing

We manufacture our products through a network of contract manufacturers based in Pune, who work as independent contractors to manufacture our products. We execute agreements with our contract manufacturers whereby we supply them with all raw materials and designs for our jewellery. We also purchase jewellery directly from the contract manufacturers for resale from our stores. We procure and supply raw materials, including gold, silver, diamonds and precious stones, to our contract manufacturers and pay them a fee as a contractor. We inspect our contractors' facilities and supervise the entire manufacturing process to ensure our jewellery is being manufactured with our designs and required levels of quality. Under the contract manufacturing agreements, we control the entire manufacturing process and the ultimate risk of the raw materials and products lies with us.

By utilising the expertise and experience of local artisans who are able to implement our design specifications in line with regional preferences as contract manufacturers, we are able to cater to varying regional jewellery tastes and to compete effectively with unorganised local jewellers.

Quality Control

Given that all of our inventory is produced by artisans, some of whom are engaged as contract manufacturers, we have implemented stringent quality control practices to ensure we sell only quality products in line with the quality and purity metrics that we market to our customers. All jewellery that is produced is initially checked for physical defects, such as structural defects and inconsistencies in polishing and finishing and is checked for purity with a karatmeter.

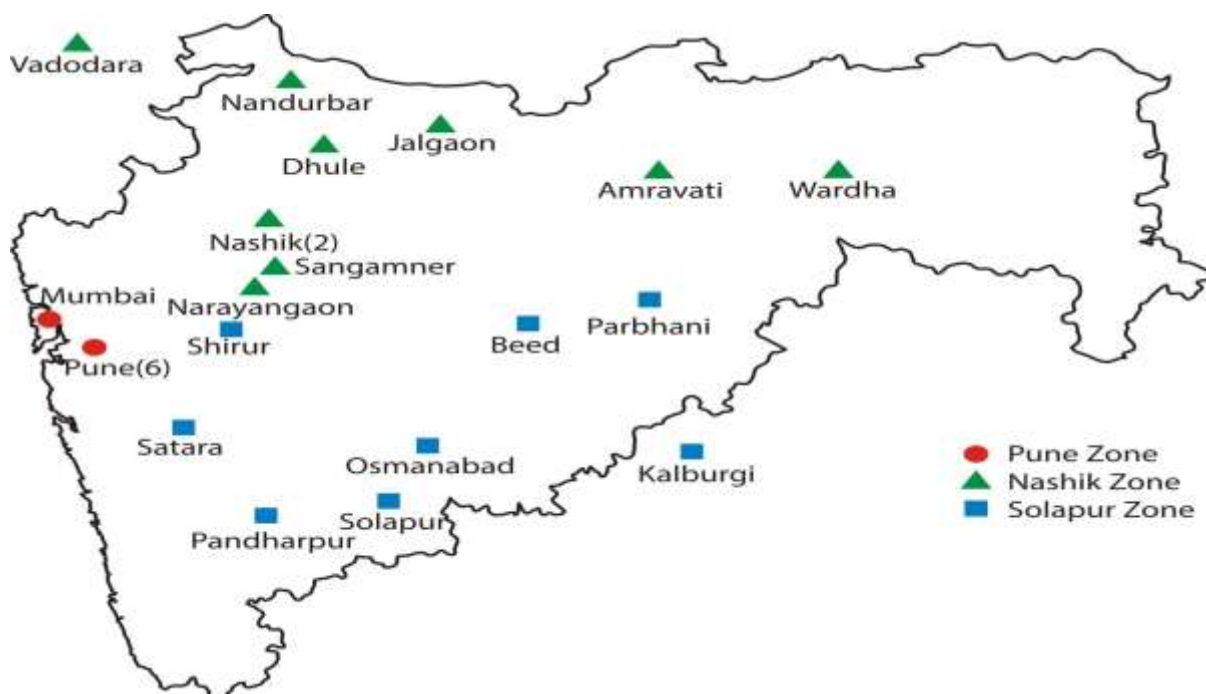
We also send our jewellery to government-approved hallmarking centres, where our jewellery is analysed and checked in accordance with BIS norms, which are widely-accepted in the Indian jewellery industry. All of our jewellery sold up to 22 karats in our stores is BIS hallmarked.

In addition, we conduct sample tests of each new batch of products whereby samples are disassembled into their raw materials to ensure they meet our purity and quality standards, including by melting metals to determine their purity. To the extent there is any loss or damage of raw materials, the contract manufacturers are liable to compensate us for such loss. Our procurement teams also report instances of loss or damage to products or raw materials directly to senior management to ensure we work only with the most trusted and quality-focused contract manufacturers.

We believe our commitment to stringent quality control has been critical to our success in the Indian jewellery industry and has contributed to customers associating our brand with trust and transparency.

Our stores

We have a store network comprising of 23 stores in Maharashtra and one in Gujarat and Karnataka each. with an aggregate built-up area of approximately 100,213 sq. ft. comprising of 11 'large format stores' (above 3,500 sq. ft. of built up area), six 'medium-format stores' (above 2,200 sq. ft. of built area up to 3,500 sq. ft. of built up area) and eight 'small-format stores' (above 1,000 sq. ft. of built up area up to 2,200 sq. ft. of built up area). As on March 2018, we are the 2nd largest (jeweller/ jewellery company) in terms of the store count in Maharashtra [Source: CRISIL Report].



Set forth below is a summary of the stores we operate:

S. No.	Location	Zone	City	Format of stores	Leased / Owned	Built-up Area*
1.	Chinchwad	Pune	Pune	Large	Leased	6,607
2.	Nashik	Nashik	Nashik	Medium	Leased	3,431

S. No.	Location	Zone	City	Format of stores	Leased / Owned	Built-up Area*
3.	Sinhagad Road	Pune	Pune	Large	Leased	4,186
4.	Satara Road	Pune	Pune	Large	Owned	8,760
5.	Mumbai	Pune	Mumbai	Medium	Leased	3,493
6.	Satara	Solapur	Satara	Small	Leased	1,935
7.	Aundh	Pune	Pune	Large	Leased	8,698
8.	Bhosari	Pune	Pune	Small	Leased	1,532
9.	Solapur	Solapur	Solapur	Large	Leased	3,721
10.	Dhule	Nashik	Dhule	Large	Leased	4,060
11.	Amravati	Nashik	Amravati	Large	Leased	4,485
12.	Sangamner	Nashik	Sangamner	Medium	Leased	2,312
13.	Gulbarga	Solapur	Gulbarga	Medium	Leased	3,036
14.	Beed	Solapur	Beed	Medium	Leased	3,114
15.	Vadodara	Nashik	Vadodara	Large	Owned	5,761
16.	Narayangaon	Nashik	Pune	Small	Leased	1,571
17.	Nashik Road	Nashik	Nashik	Large	Leased	5,962
18.	Kothrud	Pune	Pune	Large	Leased	9,082
19.	Shirur	Solapur	Shirur	Small	Leased	1,782
20.	Pandharpur	Solapur	Solapur	Small	Leased	1,115
21.	Nandurbar	Nashik	Nandurbar	Small	Leased	1,836
22.	Jalgaon	Nashik	Jalgaon	Large	Owned	7,717
23.	Wardha	Nashik	Wardha	Small	Leased	2,023
24.	Parbhani	Solapur	Parbhani	Small	Leased	1,579
25.	Osmanabad	Solapur	Osmanabad	Medium	Leased	2,415
Total						100,213

* Based on certificate received from Vidyasagar Jadhav (membership No. CA/86/9937), an independent architect, vide his certificate dated April 28, 2018.

Inventory Management and Technology

Our inventory is segregated based on certain pre-defined criteria including categories, sub-categories, gross weight, net weight, diamond weight, serial number, gender and size. Each item is allocated an ERP generated unique bar-code which allows inventory tracking and reconciliation on a real-time basis. Goods in transit are closely tracked and are subject to strict security procedures. We perform regular physical inventory checks and surprise visits to establish control over the inventory in our stores.

We believe that we have comprehensive internal controls in place to ensure that our entire inventory is closely monitored. We have a central procurement system at the Corporate Office, wherein the raw materials are received and verified with the relevant invoices before being subjected to strict quality control. Before transferring any finished products, the quality control team ensures that the products meet our quality and design standards. We have a dedicated logistics team to ensure accuracy in the inventory inflow and outflow at the central level.

Our centralized operations enable us to implement efficient and flexible inventory management in our distribution network which facilitates a rotation of stock, based on feedback from our zonal heads which contributes to a better inventory turnover. Slow-moving inventory is moved to other stores as per the suitability and demand for that particular product or design at that store.

We have installed CCTV linked to digital video recorders at all our store locations as well as the Corporate Office for remote monitoring of our inventory. At the Corporate Office, the management of the Company has access to monitor the locations, centrally, on a real-time basis. The CCTV footage is, however, monitored at regular intervals to ensure centralised control over the stores. Our stores have strong rooms/ safes for the safe storage of jewellery. We have contracts with private security agencies who provide security guards to all our stores, 24 hours a day. All stock is adequately insured across all branches.

Zonal Model

The zonal model was implemented by us to measure performance at zonal level. Pursuant to this our stores have been divided into three separate zones namely Pune, Nashik and Solapur.

Following table sets forth certain information of our revenue in each zone:

(in ₹ million)

Zone	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014
Pune	11,107.56	9,779.84	10,467.10	9,866.86	8,401.35
Nashik	4,374.77	3,283.96	3,629.13	3,078.98	2,059.64
Solapur	2,885.19	2,396.31	2,443.71	1,874.48	1,130.91
Total	18,367.52	15,460.11	16,539.94	14,820.32	11,591.90

Each zone has one zonal head who is supported by a designated team. The Corporate Office focuses on procurement of raw material, designing and manufacturing of products and the decisions relating to marketing, inventory management and human resource are taken at the zonal level in consultation with the Corporate Office. The Company believes that pursuant to implementation of zonal model it will be able to improve overall performance and operational efficiency.

Marketing model and tie-ups

Our branding and advertisement initiatives focus on product designs and reinforce our values of trust and transparency. We believe that brand value is an increasingly important factor in customers' buying decisions in the jewellery sector and that our brand is well established in Maharashtra where our product designs have found favour.

Further, we also exchange jewellery sold by us on weight to weight and karat basis to develop loyalty amongst customers and thereby depicting our trust and transparency in the market. However, in cases where gold and gold jewellery is not purchased from us we exchange the same on net weight basis using karatmeter analysis. We have set-up an in-house marketing team to increase sales and stimulate interest in our product range, thereby, entrenching our position in the jewellery industry. The key channels of marketing include advertisements in newspapers, magazines, radio, movie and television serial collaborations, online and television. In the past, we have also had collaborations with the costume and jewellery designers' teams for movies and television serial projects, where celebrities wear our jewellery. Special promotions during festivals and store openings are designed to increase footfall in our stores and encourage customers to make purchases.

In Fiscals 2018, 2017 and 2016, we had incurred ₹ 143.97 million, ₹ 122.47 million and ₹ 110.13 million, respectively on advertisement, ₹ 13.52 million, ₹ 10.79 million and ₹ 14.94 million on sales promotion and ₹ 1.50 million, ₹ 1.54 million and ₹ 0.82 million on inauguration expenses. Going forward, our strategy is to increasingly market our products to our customers through digital media, such as social media websites, rather than focusing primarily on print media. We believe our branding strategy helps us to retain existing customers and attract new customers. We intend to continue investing in our marketing initiatives and brand building exercise, including advertising through various media.

Human Resources

We have experienced Promoters and senior management whom we rely upon to anticipate industry trends and capitalise on new business opportunities that may emerge. We believe that a combination of our reputation in the market, our working environment and competitive compensation programs allow us to attract and retain these talented people. Our senior management team consists of experienced individuals with diverse skills in designing, procurement and administration/store set up, marketing and finance.

Employees

As of March 31, 2018, we had 1,189 employees employed across all our locations. The sales staff in our stores undergo regular training to ensure that they maintain our brand standards, our commitment to trust and transparency and updated product knowledge. All employees receive hiring and periodic training in their specialized function. We believe that these various measures contribute to better customer service and experience which results in increase in sales.

Competition


We face competition from both organised and unorganised jewellery players in the markets in which we operate. However, we believe that there are significant barriers to entry in the business of manufacturing and retailing

jewellery in Maharashtra. Among the most important of these barriers is the need for significant working capital to purchase gold and diamonds, the long-term relationships required to have access to adequate supplies, the limited number of persons with the skills necessary to manufacture high quality jewellery, the difficulty in obtaining access to upscale channels of distribution, the importance of public recognition of an established brand name, a reputation for jewellery-making excellence, and the development of systems to report on and monitor the manufacturing and distribution network. We believe that we are well-positioned to compete with both organised and unorganised jewellery companies given our localisation strategy where we tap into local trends and preferences. Our primary competitors include PC Jewellers Limited, Tribhovandas Bhimji Zaveri Limited, Waman Hari Pethe Jewellers India Private Limited and Waman Hari Pethe Sons Private Limited and entities using 'P.N. Gadgil' or similar names in the organized market and we compete against the unorganized players in almost every regional market. [Source: CRISIL Report]

Insurance

We have taken insurance to cover different risks which we believe is sufficient to cover all material risks to operations and revenues. We have purchased several insurance policies in order to manage the risk of losses from potentially harmful events, including policies for fidelity guarantee, standard fire and special perils, money, plate glass, jewellers block. Our operations are subject to hazards inherent to our Company, such as risks relating to work accidents, fire, earthquake, burglary, and transit. This includes hazards that may cause injury and loss of life, damage and destruction of property and equipment. The insurance policies are reviewed periodically to ensure that the coverage is adequate. Our insurance covers all our facilities, including our corporate office and stores.

Intellectual Property

Our trademark  is registered with the trademark registry in the name of Abhay Gadgil. Pursuant to a deed of assignment dated March 10, 2018, our trademark, copyright subsisting in the trademark and domain name were assigned to us, which were earlier inadvertently registered in the name of one of the erstwhile partners of the Erstwhile Partnership, prior to its conversion into our Company. Our Company has filed necessary application on May 2, 2018 with the trademark registry to record the assignment of trademark.

Properties

Our Registered and Corporate Office is located at Abhiruchi Mall, S. No. 59/1-C, Wadgaon (BK), Sinhgad Road, Pune- 411 041. We have taken our Registered and Corporate Office on a leasehold basis.

We have 23 stores in Maharashtra and one store in Gujarat and Karnataka each. Further, out of our total stores, we own three stores and 22 stores are located in leased or licensed premises. The Company has entered into operating lease agreements on store premises, with lease terms of three to five years, with specified lock-in periods. For further details please see "Our Business - Our Stores" on page 126.

Corporate Social Responsibility

We have adopted a Corporate Social Responsibility policy in compliance with the requirements of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. In accordance with the policy, we shall make contributions and donations to various non profitable organisations and trusts.

REGULATIONS AND POLICIES IN INDIA

The following description is a summary of certain key regulations, statutes, circulars and policies which are applicable to our Company. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. Taxation statutes such as the Income Tax Act, 1961 and the relevant goods and services tax legislation apply to us as they do to any other company.

The descriptions of the applicable statutes, regulations, circulars and policies set out below are not 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 our Company, see “Government and Other Approvals” on page 277. The statements below are based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

KEY REGULATIONS APPLICABLE TO OUR COMPANY

Legislations pertaining to our business

The Legal Metrology Act, 2009

The Legal Metrology Act, 2009 (“**Legal Metrology Act**”) has replaced the Standards of Weights and Measures Act, 1976. The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The Legal Metrology Act provides that for prescribed specifications all weights and measures should to be based on metric system only.

The Bureau of Indian Standards Act, 2016

The Bureau of Indian Standards Act, 2016 (“**BIS Act**”) provides for the establishment of bureau for the standardization, marking and quality certification of goods. Functions of the bureau include, *inter-alia*, (a) recognizing as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specifying a standard mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) conducting such inspection and taking such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used conforms to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a license.

BIS Certification Scheme for Hallmarking of Gold Jewellery (“**BIS Scheme**”) is voluntary in nature and is operating under the BIS Act, rules and regulations. Under the BIS Scheme, the Government of India has identified ‘Bureau of Indian Standards’ as the sole agency in India to operate the BIS Scheme which aims to ensure that quality control is built in the system in alignment with the international criteria on hallmarking.

The Consumer Protection Act, 1986

The Consumer Protection Act, 1986 (“**CPA 1986**”) came into effect on December 24, 1986, The CPA 1986 reinforces the interest and rights of consumers by laying down a mechanism for speedy grievance redressal. A consumer, as defined under the CPA Act, or a recognized consumer association, or numerous consumers having the same interest, or the Central/State Government may lodge a complaint before the district forum or any other appropriate forum under the Consumer Protection Act, *inter alia*, where:

- an unfair trade practice or a restrictive trade practice has been adopted by a service provider;
- the services availed or agreed to be availed suffer from any deficiency in any material aspect; and
- the provision of services which are hazardous or likely to be hazardous to life and safety of the public when used are offered by the service provider which such person could have known with due diligence to be injurious to life and safety.

When a person against whom a complaint is made fails to or omits to comply with any order made by the forum/commission, such person shall be punishable with imprisonment for a term of not less than a month, but not exceeding three years, or a fine of not less than two thousand rupees, but not more than ten thousand rupees, or both.

The CPA 1986 is proposed to be repealed by the Consumer Protection Bill, 2018, once it comes into effect. The Consumer Protection Bill, 2018 has been introduced in Lok Sabha on January 5, 2018 and is still pending approval.

Legislations pertaining to employment

Depending upon the nature of the activity undertaken by us, applicable labor laws and regulations include the following:

- Bombay Shops and Establishments Act, 1948;
- The Workmen's Compensation Act, 1923;
- The Payment of Wages Act, 1936;
- The Payment of Gratuity Act, 1972;
- The Payment of Bonus Act, 1965;
- The Maternity Benefit Act, 1961;
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- The Payment of Wages Act, 1936;
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- The Employee's State Insurance Act, 1948; and

In order to rationalize and reform labour laws in India, the Government of India intends to frame the Code on Wages, 2017. The Code on Wages Bill, 2017 was introduced in Lok Sabha on August 10, 2017 which will subsume four existing laws, if enacted, namely, (i) the Minimum Wages Act, 1948, (ii) the Payment of Wages Act, 1936, (iii) the Payment of Bonus Act, 1965, and (iv) the Equal Remuneration Act, 1976.

Miscellaneous Regulations

Trade Marks Act, 1999

The Trade Marks Act, 1999 (the “**Trade Marks Act**”) provides for the application and registration of trademarks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading and to obtain relief in case of infringement for commercial purposes as a trade description. Application for trademark registry has to be made to Controller-General of Patents, Designs and Trade Marks who is the Registrar of Trademarks for the purposes of the Trade Marks Act. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compound among others. It also provides for penalties for infringement, falsifying and falsely applying trademarks.

Applications for a trademark registration can be made for in one or more international classes. Once granted, trademark registration is valid for ten years unless cancelled. The mark lapses in ten years unless renewed. The Trademark (Amendment) Act, 2010 allows Indian nationals as well as foreign nationals to secure simultaneous protection of trademark in other countries. The Trademark (Amendment) Act, 2010 has been enacted to amend the Trade Marks Act, which enables Indian nationals as well as foreign nationals to secure simultaneous protection of trademark in other jurisdictions. The amendment also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to align the law with international practice.

Designs Act, 2000 (“Designs Act”)

Industrial designs have been accorded protection under the Designs Act. A ‘design’ means only the features of shape, configuration, pattern, ornament or composition of lines or colour or combination thereof applied to any article whether two dimensional or three dimensional or in both forms, by any industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged

solely by the eye, but does not include any mode or principle or construction or anything which is in substance a mere mechanical device, and expressly excludes works accorded other kinds of protection like property marks, trademarks and copyrights. Any person claiming to be the proprietor of a new or original design may apply for registration of the same under the Act before the Controller-General of Patents, Designs and Trade Marks. On registration, the proprietor of the design attains a copyright over the same. The duration of the registration of a design in India is initially ten years from the date of registration, but in cases where claim to priority has been allowed the duration is ten years from the priority date. No person may sell, apply for the purpose of sale or import for the purpose of sale any registered design, or fraudulent or obvious imitation thereof.

The Copyright Act, 1957

The Copyright Act, 1957 (“**Copyright Act**”) governs copyright protection in India. Even while copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration under the Copyright Act acts as a prima facie evidence of the particulars entered therein and helps expedite infringement proceedings and reduce delay caused due to evidentiary considerations.

Shops and Establishments legislations in various states

Under the provisions of local shops and establishment legislations applicable in the states in which establishments are set up, establishments are required to be registered under the respective legislations. These legislations regulate the condition of work and employment in shops and commercial establishments and generally prescribe obligations in respect of *inter alia* registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

Foreign Investment

Foreign investment in India is governed by the provisions of Foreign Exchange Management Act, 1999 (“**FEMA**”) along with the rules, regulations and notifications made by the Reserve Bank of India thereunder, and the consolidated FDI Policy (“**FDI Policy**”) issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India from time to time. Under the current FDI Policy (effective from August 28, 2017), as amended by the DIPP Press Note No. 1 of 2018 (effective from January 23, 2018), foreign direct investment in companies engaged in the single brand retail trading sector is permitted up to 100% of the paid up share capital of such company under the automatic route, i.e. without requiring prior government approval, subject to compliance with certain prescribed pricing guidelines and reporting requirements. As per the existing policy of the Government of India, erstwhile OCBs cannot participate in this Issue.

Investment by FPIs

In terms of applicable FEMA regulations and the SEBI (Foreign Portfolio Investors) Regulations, 2014 (“**SEBI FPI Regulations**”), as amended, investments by FPIs in the capital of an Indian company under the SEBI FPI Regulations is subject to certain limits, i.e. the individual holding of an FPI is restricted to below 10% of the capital of the company and the aggregate limit for FPI investment is capped at 24% of the capital of the company. Such aggregate limit for FPI investment in a company can be increased up to the applicable sectoral cap by passing a board resolution, followed by a special resolution by the shareholders, subject to prior intimation to the RBI. As stated above, foreign direct investment in companies engaged in the single brand retail trading sector is permitted up to 100% of the paid up share capital of such company under the automatic route.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

The legacy of the “P. N. Gadgil” brand traces back over six generations to the year 1832. Govind Gadgil, our Promoter, is the sixth generation of Gadgil family which has been in the jewellery business.

Govind Gadgil was engaged in the jewellery business as one of the partners in the firms M/s P.N. Gadgil & Co, M/s. PNG Jewellery & Gems and P.N. Gadgil & Co (Silver). On February 29, 2012, Govind Gadgil, Renu Gadgil, Abhay Gadgil, Rohan Gadgil and Akshay Gadgil entered into a partnership under the name ‘M/s P.N. Gadgil & Sons’ (“Erstwhile Partnership Firm”), pursuant to the Partnership Deed. The Erstwhile Partnership Firm was formed to carry on the business of dealing in and manufacturing gold, silver, platinum, diamonds, pearls and other precious stones and trade in derivatives on commodity stock exchanges.

In April 2012, Govind Gadgil retired from the firms M/s P. N. Gadgil & Co and P. N. Gadgil & Co (Silver). Pursuant to these retirement deeds, both dated April 1, 2012, Govind Gadgil, through the Partnership Firm constituted in February 2012, would take over the stores of the earlier firms at Chinchwad and Nashik.

Pursuant to a retirement-cum-partnership deed, dated July 1, 2016, Rohan Gadgil and Akshay Gadgil retired, at will, from the Erstwhile Partnership Firm. Simultaneously, Govind Gadgil retired from the firm M/s. PNG Jewellery & Gems through a retirement deed dated July 1, 2016. Further, pursuant to a second retirement-cum-partnership deed, dated March 31, 2017, Abhay Gadgil also retired, at will, from the Erstwhile Partnership Firm. Subsequently, the Erstwhile Partnership Firm was reconstituted, pursuant to the admission-cum-partnership deed, dated July 1, 2017, and Satish Kuber, Shrikant Kuber, Prafulla Wagh, Sunil Pathak, Niranjan Deole and Amit Modak were admitted as the partners, with the said reconstitution being effective from April 1, 2017.

Our Company was incorporated pursuant to a certificate of incorporation dated November 6, 2017 issued by the RoC following our conversion from the Erstwhile Partnership Firm to a public limited company. As on the date of this Draft Red Herring Prospectus, our Company has 64 Shareholders.

Changes in Registered Office

There has been no change in our Registered Office since the incorporation of our Company.

Main objects of our Company

The main objects as contained in the Memorandum of Association of our Company are as follows:

- “1 To carry on the business of jewellers, gold and silversmiths, jewellery manufacturers, dealers, traders, manufacturers, buyers, sellers, wholesalers, retailers, distributors, designers, marketers, repairers, processors, reproducers, transporters, refiners, consultants, wire drawers, smelters, platers, importers, and exporters, engravers of gold, silver, platinum, bullion, gem and diamond including but not limited to benteques, rings, earrings, chain, pendants, bracelets, painjan, bangles, Indian traditional or modern jewellery, coins, bars, chip, note whether in pure form or otherwise and also of precious and semi-precious metals and stones and of articles of gold, silver, bullion, platinum, imitation jewellery, ornaments, precious metals and of plated articles, watches, clocks, gift and presentation articles, artefacts, novelties, antiques, beads and appliances; whether by using own materials, fully or partially, or by using materials supplied by other jewellers, gold and silversmiths, dealers, traders, manufacturers, processors, wire drawers, smelters, platers, importers and exporters, engravers; by applying manual or mechanical labour and whether against credit, debit or barter and also carrying out and valuers and assisting in valuation of metals, stones, commodities and articles in whatever form and purpose.”

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out.

Amendments to our Memorandum of Association

Set out below are the amendments to our Memorandum of Association since the incorporation of our Company:

Date of Shareholders' Resolution	Particulars
November 9, 2017	Amendment to Clause 3 (a) of the Memorandum of Association to include sub-clause (1) as the main object of our Company.
February 7, 2018	Amendment to Clause 5 of the Memorandum Of Association to reflect the increase in the Authorised Share Capital of the Company from ₹ 21,00,00,000 divided into 2,10,00,000 equity shares of ₹ 10 each to ₹ 30,00,00,000 divided into 3,00,00,000 equity shares of ₹ 10 each.
March 30, 2018	Amendment to Clause 5 of the Memorandum Of Association to reflect the increase in the Authorised Share Capital of the Company from ₹ 300,000,000 divided into 30,000,000 equity shares of ₹10 each to ₹ 600,000,000 divided into 60,000,000 equity shares of ₹10 each.

Major events and milestones of our Company

The table below sets forth the key events in the history of our Company:

Calender year	Particulars
2012	Commenced operation with two stores at Chinchwad (Pune) and Nashik
2012	Commenced the operation of our 5 th store at Mumbai
2013	Commenced the operation of our 10 th store at Dhule
2016	Commenced the operation of our 15 th store at Vadodara
2017	Commenced the operation of our 20 th store at Pandharpur
2018	Commenced the operation of our 25 th store at Osmanabad

Corporate Profile of our Company

For details in relation to our corporate profile including details of our business, activities, services, market, growth, technology, geographical presence, growth, competition, products, suppliers, customers, capacity build-up, technology, market of each segment, and managerial competence, environmental issues, standing with reference to prominent competitors, major vendors and suppliers and exports, see *"Our Business"*, *"Industry Overview"*, *"Our Management"* and *"Management's Discussion and Analysis Of Financial Condition and Results of Operations"* on pages 119, 94, 136 and 248, respectively. For details regarding profits arising out of foreign operations, see *"Financial Information"* on page 162.

Our holding company

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Our subsidiary

As of the date of this Draft Red Herring Prospectus, our Company does not have a subsidiary, entity controlled by our Company or joint venture.

Capital raising activities through equity or debt

For details regarding our capital raising activities through equity and debt as applicable, see *"Capital Structure"* on page 67 and *"Financial Indebtedness"* on page 246.

Injunctions or restraining order against our Company

As of the date of this Draft Red Herring Prospectus, there are no injunctions or restraining orders against our Company.

Revaluation of assets by the Company

As of the date of this Draft Red Herring Prospectus, our Company has not revaluated any of its assets.

Details regarding acquisition of business/undertakings, mergers, amalgamations

No acquisitions / amalgamations or mergers have been done by our Company.

Guarantees provided by our Promoters

Our Promoters have provided guarantees with respect to certain borrowings of our Company. For further details, see “*Financial Indebtedness*” and “*Financial Information*” on pages 246 and 162, respectively.

Financial and Strategic Partners

Our Company does not have any financial and strategic partners as of the date of filing this Draft Red Herring Prospectus.

Shareholders’ agreement

As on date of this Draft Red Herring Prospectus, there are no subsisting shareholders’ agreements among our shareholders *vis-à-vis* our Company that our Company is aware of.

Other material agreements

Other than as disclosed in this Draft Red Herring Prospectus, our Company has not entered into any material agreement, other than a contract entered into in the ordinary course of business carried on or intended to be carried on by our Company or a contract entered into more than two years before the date of this Draft Red Herring Prospectus.

Defaults or rescheduling of borrowings and conversions of loans into equity

There have been no defaults or rescheduling of the borrowings of our Company with financial institutions/banks. Further, none of our outstanding loans have been converted into equity shares.

Lock-outs and strikes

There have been no lock-outs or strikes at any of the offices of our Company.

Time and cost overruns

We have not experienced instances of time and cost overruns.

Changes in the activities of our Company during the last five years

There have been no changes in the activities of our Company since its date of incorporation which may have had a material adverse effect on the profits and loss account of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

OUR MANAGEMENT

Board of Directors

In terms of the Articles of Association, our Company is required to have not less than three Directors and not more than fifteen Directors. As on the date of this Draft Red Herring Prospectus, our Board has eight Directors, comprising of three Executive Directors (including one woman director) and five Non-Executive Directors, out of which four are Independent Directors and one is a Non-Executive Director.

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

Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other Directorships
<p>Name: Govind Gadgil</p> <p>Designation: Chairman and Whole-time Director</p> <p>Address: 576, Shaniwar Peth, Opp. Kesari Wada, Pune- 411 030, Maharashtra, India</p> <p>Occupation: Business</p> <p>Nationality: Indian</p> <p>Date of appointment: December 5, 2017</p> <p>Term: For five years, up to December 4, 2022, not liable to retire by rotation</p> <p>DIN: 00616617</p>	58	Puneet Shares and Finance Private Limited
<p>Name: Renu Gadgil</p> <p>Designation: Whole-time Director</p> <p>Address: 576, Shaniwar Peth, N C Kelkar Road, Pune- 411 030, Maharashtra, India</p> <p>Occupation: Business</p> <p>Nationality: Indian</p> <p>Date of appointment: December 5, 2017</p> <p>Term: For five years, up to December 4, 2022</p> <p>DIN: 07412955</p>	56	Puneet Shares and Finance Private Limited
<p>Name: Amit Modak</p> <p>Designation: Whole-time Director and Chief Executive Officer</p> <p>Address: S.No.65, Indira Co. Housing Society, Yashada, Erandawne, Laxmi Narayan Nagar Road, Pune – 411 004, Maharashtra, India</p> <p>Occupation: Business</p> <p>Nationality: Indian</p> <p>Date of appointment: December 5, 2017</p>	57	Puneet Shares and Finance Private Limited

Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other Directorships
Term: For five years, up to December 4, 2022 DIN: 00396631		
Name: Udaya Kalkundrikar Designation: Non-Executive Director Address: House No. 118, Gandhi Colony, Tilkavadi, Belgavi, Belgaum– 590 006, Karnataka, India Occupation: Consultant Nationality: Indian Date of appointment: December 26, 2017 Term: Udaya Kalkundrikar has been appointed till the ensuing AGM DIN: 08007781	69	Nil
Name: Ashish Khandelwal Designation: Independent Director Address: 504-505, A Building, Marvel Viva City, 7 th Lane, Kalyani Nagar, Pune – 411 006, Maharashtra, India Occupation: Self-employed Nationality: Indian Date of appointment: November 10, 2017 Term: Five years up to November 9, 2022 DIN: 00098473	48	1. PNL Consulting Private Limited 2. Archer Management Services Private Limited
Name: Ashok Gokhale Designation: Independent Director Address: 32, Sangam Nagar, Satara Road, Pune – 411 037, Maharashtra, India Occupation: Self-employed Nationality: Indian Date of appointment: November 10, 2017 Term: Five years up to November 9, 2022 DIN: 02415119	69	Nil
Name: Ranjeet Natu Designation: Independent Director Address: Flat No. 8/3A, New Ajantha Avenue Wing, A/2	44	1. Penosh Finance Private Limited 2. Golden Sparrow Finance and Treasury Private Limited

Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other Directorships
S.No.135/136, Part Paud Road, Kothrud, Pune – 411 038, Maharashtra, India Occupation: Self employed Nationality: Indian Date of appointment: November 10, 2017 Term: Five years up to November 9, 2022 DIN: 02892084		3. Penosh Transport Private Limited
Name: Ashutosh Nanal Designation: Independent Director Address: 304 A, Govind Gaurav Apartment, Sahakar Nagar, Swanand Society, 1 Parvati, Pune - 4110 09, Maharashtra, India Occupation: Professional Nationality: Indian Date of appointment: March 15, 2018 Term: Five years up to March 14, 2023 DIN: 08085279	39	Nil

Relationship between our Directors

None of our directors are related to each other except the following:

S. No.	Name of Director	Related to	Relationship
1.	Govind Gadgil	Renu Gadgil	Spouse
		Udaya Kalkundrikar	Brother-in-law
2.	Renu Gadgil	Govind Gadgil	Spouse
		Udaya Kalkundrikar	Sibling
3.	Udaya Kalkundrikar	Govind Gadgil	Brother-in-law
		Renu Gadgil	Sibling

In compliance with Section 152 of the Companies Act 2013, not less than two-thirds of our non-independent Directors are liable to retire by rotation.

Brief biographies of Directors

Govind Gadgil

Govind Gadgil is the Chairman and Whole-time Director of our Company. He is also the Promoter of our Company and has been a member of our Board since inception. He holds a senior secondary certificate from Maharashtra State Board of Secondary and Higher Secondary Education. He has over 40 years experience in the jewellery industry. In the past he was associated with P.N. Gadgil & Sons in the capacity of a Partner.

Renu Gadgil

Renu Gadgil is the Whole-time Director of our Company. She is also the Promoter of our Company and has been a member of our Board since inception. She passed the Licentiate of Court of Examiners in Homeopathy. She has more than 5 years of experience in the jewellery industry. In the past, she was associated with PN Gadgil & Sons in the capacity of a Partner.

Amit Modak

Amit Modak is the Whole-time Director and Chief Executive Officer of our Company. He has been a member of our Board since inception. He holds a bachelor's degree in commerce, diploma in taxation law, and a post graduate diploma in investment and financial management from University of Pune. In the past he has been associated with Pune Stock Exchange Limited in the capacity of Director.

Udaya Kalkundrikar

Udaya Kalkundrikar is the Non-Executive Director of our Company. He has been a member of our Board since December 26, 2017. He holds a bachelor's degree in engineering from the College of Engineering, Pune. He is a fellow member of the Institution of Valuers and a member of the Institution of Engineers (India). He has previously been a member of the Board of Management of Karnataka Law Society, Belagavi and has been associated with Abdulla Abdulaziz Al-Dossary Est., Saudi Arabia in the capacity of Project Manager.

Ashish Khandelwal

Ashish Khandelwal is the Independent Director of our Company. He has been a member of our Board since November 10, 2017. He is a member of the Institute of Chartered Accountants of India and a registered member of the Institute of Cost and Works Accountants of India. He has more than 20 years of experience as a Chartered Accountant. He has been the treasurer and is currently the Honorary Member of the British Business Group, Pune chapter. He was also a former director at Khandelwal Jain Affiliates Private Limited. He is a co-opted member of the Expert Advisory Committee for 2017-18 of the Institute of Chartered Accountants of India, New Delhi. He leads the Audit and Assurance practice at Shah Khandelwal Jain & Associates.

Ashok Gokhale

Ashok Gokhale is the Independent Director of our Company. He has been a member of our Board since November 10, 2017. He holds a bachelor's degree in mechanical engineering from the Maharaja Sayajirao University of Baroda. He was previously associated with Chowgule & Co., (HIND) Private Ltd. and Kirloskar Cummins Ltd. He has experience in the domain of manufacturing, maintenance, sales and import of machine tools and allied equipment.

Ranjeet Natu

Ranjeet Natu is the Independent Director of our Company. He has been a member of our Board since November 10, 2017. He is a member of the Institute of Chartered Accountants of India and has experience as a Chartered Accountant.

Ashutosh Nanal

Ashutosh Nanal is the Independent Director of our Company. He has been a member of our Board since March 15, 2018. He holds a Medicine Doctor in Ayurveda from Bharati Vidyapeeth University, Pune. He is an independent practitioner registered with the Maharashtra Council of Indian Medicine.

Confirmations

None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on BSE or NSE, during the term of their directorship in such company.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the tenure of their directorship in such company.

None of our Directors has been or was identified as a wilful defaulter as defined under the SEBI ICDR Regulations.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce him to become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm, trust or company in which he is interested, in connection with the promotion or formation of our Company.

None of our Directors or Key Management Personnel have been selected as a director or member of senior management pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers, or others.

Service Contracts with Directors

Our Directors have not entered into any service contracts with our Company.

Service Contracts to the benefit of Directors upon termination of employment

Our Company has not entered into any service contracts, pursuant to which its Directors are entitled to benefits upon termination of employment or upon retirement.

Terms of appointment of Executive Directors

Govind Gadgil was appointed as the Chairman and Whole-time Director of our Company for a period of five years with effect from December 5, 2017 pursuant to the resolution of the Board passed at its meeting held on December 5, 2017 and approved by the resolution of our Shareholders in their meeting held on December 12, 2017. The terms of his appointment as per the appointment letter, dated December 14, 2017 are stated below:

Particulars	Terms of Remuneration
Basic Salary	Consolidated remuneration not exceeding ₹ 24 million per annum
Perquisites and Benefits	Apart from the above remuneration, the Director is entitled to be reimbursed for the actual travelling and entertainment expenses reasonably incurred by him in or about the business of the Company and approved by the Board.

Renu Gadgil was appointed as the Whole-time Director of our Company for a period of five years with effect from December 5, 2017 pursuant to the resolution of our Board passed at its meeting held on December 5, 2017 and approved by the resolution of our shareholders in their meeting held on December 12, 2017. The terms of her appointment as per the appointment letter dated December 14, 2017 are stated below:

Particulars	Terms of Remuneration
Basic Salary	Consolidated remuneration not exceeding ₹ 18 million per annum
Perquisites and Benefits	Apart from the above remuneration, the Director is entitled to be reimbursed for the actual travelling and entertainment expenses reasonably incurred by her in or about the business of the Company and approved by the Board.

Amit Modak was appointed as the Whole-time Director and Chief Executive Officer of our Company for a period of five years with effect from December 5, 2017 pursuant to the resolution of our Board passed at its meeting held on December 5, 2017 and approved by the resolution of our shareholders in their meeting held on December 12, 2017. The terms of his appointment as per the appointment letter dated December 14, 2017, and as modified by the resolution of our Board dated April 18, 2018 (with effect from April 1, 2018) are stated below:

Particulars	Terms of Remuneration
Basic Salary	Consolidated remuneration not exceeding ₹ 20 million per annum
Perquisites and Benefits	Apart from the above remuneration, the Director is entitled to be reimbursed for the actual travelling and entertainment expenses reasonably incurred by him in or about the business of the Company and approved by the Board.

Payment or benefit to Directors of our Company

The sitting fees/other remuneration paid to our Directors in Fiscal 2018 are as follows:

1. Remuneration to Executive Directors:

Our Company has paid the following remuneration to our Executive Directors in Fiscal 2018:

Name of Director	Remuneration paid (₹ in million)
Govind Gadgil	9.60
Renu Gadgil	7.20
Amit Modak	6.79

2. Remuneration to Non-Executive and Independent Directors:

Each Independent Director and the Non-Executive Director is entitled to receive sitting fees for attending meetings of the Board or any of its committees, as decided by the Board and approved by the shareholders from time to time, within the limits prescribed under the Companies Act, 2013, and the rules made thereunder. In addition to the remuneration described, hereinabove, the Company will, for the period of the appointment, reimburse the Directors for travel, hotel and other incidental expenses incurred by them in the performance of their role and duties.

The following table provides the details of sitting fees paid to the Non-Executive and Independent Directors during Fiscal 2018:

S. No.	Name of Director	Sitting Fees (₹ in million)	Commission (₹ in million)	Total (₹ in million)
1.	Ranjeet Natu	0.80	-	0.80
2.	Ashish Khandelwal	0.60	-	0.60
3.	Ashok Gokhale	0.80	-	0.80
4.	Udaya Kalkundrikar	0.20	-	0.20
5.	Ashutosh Nanal	0.10	-	0.10

Remuneration from subsidiary and associate company

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiary or associate company.

Shareholding of Directors in our Company

As per our Articles of Association, our Directors are not required to hold any qualification shares.

The shareholding of our Directors in our Company as of the date of filing this Draft Red Herring Prospectus is set forth below:

Name of Director	Number of Equity Shares	Shareholding (%)
Govind Gadgil	18,518,520	54.84
Renu Gadgil	14,814,815	43.87
Amit Modak	55,372	0.16

Shareholding of Directors in our subsidiary and associate companies

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiary or associate company.

Shareholding of Directors in our Group Company

The shareholding of our Directors in our Group Company as of the date of filing this Draft Red Herring Prospectus is set forth below:

Name of the Director	Name of Group Company	Number of Equity Shares	Shareholding in the Group Company (%)
Govind Gadgil	Puneet Shares and Finance Private Limited	20,000	20
Renu Gadgil	Puneet Shares and Finance Private Limited	79,000	79
Amit Modak	Puneet Shares and Finance Private Limited	1,000	1

Appointment of relatives of our Directors to any office or place of profit

Other than, (i) Aditya Modak, the son of Amit Modak, who has been appointed as the Chief Financial Officer of our Company, pursuant to the resolution of our Board at its meeting held on December 5, 2017, and (ii) Govind Gadgil, Renu Gadgil and Udaya Kalkundrikar who are related to each other, none of the relatives of the Directors have been appointed to an office or place of profit in our Company.

Interest of Directors

All Non-Executive Directors, including Independent Directors, may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of our Board and Committees thereof and reimbursement of expenses available to them by the Company. All Executive Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them as stated in “– *Terms of appointment of our Executive Directors*” on page 140.

None of our Directors have any interest in any property acquired by our Company in the two years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company or in any transaction involving construction of building or supply of machinery etc.

Except for Govind Gadgil and Renu Gadgil who are our Promoters, none of our Directors have any interest in the promotion of our Company, except in the ordinary course of business. The Directors may also be regarded as interested in any options granted to them under ESOP, or the Equity Shares held by them, or that may be subscribed by or allotted to them or the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters and also to the extent of any dividend payable and other distributions in respect of the Equity Shares. All of the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective capacity.

Business interest

Except as stated hereinabove, and in “*Related Party Transactions*” on page 161, and to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

Loans to Directors

No loans have been availed by our Directors from our Company.

None of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company.

Bonus or profit sharing plan for the Directors

Except as set out under “*Our Management – Terms of appointment of Executive Directors*”, none of the Directors is party to any bonus or profit sharing plan of our Company other than the performance linked incentives given to each of the Directors.

Changes in the Board since incorporation of the Company

Name	Date of Appointment/ Change/Cessation	Reason for change
Ashutosh Nanal ⁽¹⁾	March 15, 2018	Appointed as an additional Director – independent
Udaya Kalkundrikar ⁽²⁾	December 26, 2017	Appointed as an additional Director – non-executive
Govind Gadgil ⁽³⁾	December 5, 2017	Appointed as Whole-time Director
Renu Gadgil ⁽⁴⁾	December 5, 2017	Appointed as Whole-time Director
Amit Modak ⁽⁵⁾	December 5, 2017	Appointed as Whole-time Director
Ashish Khandelwal ⁽⁶⁾	November 10, 2017	Appointed as an additional Director – independent
Ashok Gokhale ⁽⁷⁾	November 10, 2017	Appointed as an additional Director – independent
Ranjeet Natu ⁽⁸⁾	November 10, 2017	Appointed as an additional Director – independent

- (1) Appointment of Ashutosh Nanal was regularised pursuant to a resolution passed by the Shareholders on March 30, 2018.
- (2) Appointment of Udaya Kalkundrikar was regularised pursuant to a resolution passed by the Shareholders on March 30, 2018.
- (3) Appointment of Govind Gadgil was regularised pursuant to a resolution passed by the Shareholders on December 12, 2017.
- (4) Appointment of Renu Gadgil was regularised pursuant to a resolution passed by the Shareholders on December 12, 2017.
- (5) Appointment of Amit Modak was regularised pursuant to a resolution passed by the Shareholders on December 12, 2017.
- (6) Appointment of Ashish Khandelwal was regularised pursuant to a resolution passed by the Shareholders on March 30, 2018.
- (7) Appointment of Ashok Gokhale was regularised pursuant to a resolution passed by the Shareholders on March 30, 2018.
- (8) Appointment of Ashutosh Natu was regularised pursuant to a resolution passed by the Shareholders on March 30, 2018.

Borrowing Powers of Board

Pursuant to our Articles of Association, subject to applicable laws and pursuant to the resolution of the Shareholders of our Company passed at the EGM held February 7, 2018, our Board has been authorised to borrow sums of money for the purpose of our company with or without security, which together with the monies borrowed by our Company (apart from the temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business) shall not exceed the amount of ₹ 10,000 million at any point of time.

Corporate Governance

The Corporate Governance provisions of the SEBI Listing Regulations will be applicable to us immediately upon the listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, SEBI ICDR Regulations, the Companies Act and the rules, regulations and byelaws of the Stock Exchanges, and the SCRR, in respect of corporate governance including constitution of the Board and committees thereof and formulation of policies. 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, the SEBI Listing Regulations and in accordance with best practices in corporate governance. The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides the Board of Directors detailed reports on its performance periodically.

Currently, our Board has eight Directors comprising of three Executive Directors including a woman director, one Non-Executive Director and four Independent Directors. Our Company is in compliance with the requirements of the applicable regulations in respect of corporate governance in accordance with the SEBI Listing Regulations and the Companies Act, 2013, pertaining to the composition of the Board and constitution of committees thereof.

Committees of the Board

Audit Committee

The Audit Committee of the Board consists of the following three members.

1. Ashish Khandelwal, Independent Director - Chairman
2. Ranjeet Natu, Independent Director – Member
3. Amit Modak, Whole-time Director and Chief Executive Officer - Member

The Audit Committee was constituted by a meeting of the Board of Directors held on November 10, 2017. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and the SEBI Listing Regulations and its terms of reference as revised in the meeting of the Board of Directors held on February 21, 2018 include the following:

Role of the Audit Committee:

- (a) Overseeing our Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (b) Reviewing and recommending for approval to the Board:
 - Proposals on borrowings and proposals on non-fund based facilities from banks,
 - Business plan,
 - Corporate annual budget and revised estimates;
- (c) Recommending to the Board, the appointment, re-appointment, and replacement, remuneration, and terms of appointment of the internal auditor, cost auditor and statutory auditor and the fixation of audit fee;
- (d) Review and monitor the auditor's independence and performance and the effectiveness of audit process;
- (e) Approval of payments to the statutory, internal and cost auditors for any other services rendered by statutory auditors;
- (f) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - (i) Matters required to be stated in the Director's responsibility statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act, 2013;
 - (ii) Changes, if any, in accounting policies and practices and reasons for the same;
 - (iii) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (iv) Significant adjustments made in the financial statements arising out of audit findings;
 - (v) Compliance with listing and other legal requirements relating to financial statements;
 - (vi) Disclosure of any related party transactions;
 - (vii) Qualifications and modified opinions in the draft audit report;

- (viii) Compliance with accounting standards;
- (ix) Contingent liabilities;
- (x) Claims against the Company and their effect on the financial statements; the term “financial statement” shall have the meaning ascribed to such term under Section 2(40) of the Companies Act, 2013;
- (g) Reviewing with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- (h) Laying down the criteria for granting omnibus approval in line with the Company’s policy on related party transactions and such approval shall be applicable in respect of transactions which are repetitive in nature;
- (i) Scrutiny of inter-corporate loans and investments;
- (j) Valuation of undertakings or assets of our Company, wherever it is necessary;
- (k) Evaluation of internal financial controls and risk management systems;
- (l) Approval or any subsequent modification of transactions of our Company with related parties, provided that the audit committee may make omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
- (m) Reviewing with the management, the statement of uses/application of funds raised through an issue (rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the issue document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (n) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- (o) Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;
- (p) 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;
- (q) Discussion with internal auditors on any significant findings and follow up thereon;
- (r) 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;
- (s) Discussion with statutory auditors, internal auditors, secretarial auditors and cost auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (t) Looking 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;
- (u) Approval of appointment of the chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (v) Reviewing the functioning of the whistle blower mechanism, in case the same is existing;

- (w) Monitoring of a vigil mechanism for enabling adequate safeguards and protection of interest of the director(s) or employees or any other person who may avail the mechanism and to provide for direct access to the chairperson of the Audit Committee in exceptional cases where deemed necessary;
- (x) Discretion to invite the finance director or head of the finance functions, head of internal audit and a representative of the statutory auditor and any other such executives to be present at the meetings of the committee: Provided that occasionally the audit committee may meet without the presence of any executives of the listed entity.
- (y) Carrying out any other functions as provided under the Companies Act, the SEBI Listing Regulations and other applicable laws; and
- (z) To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time.”

The Audit Committee shall also have the power to:

- (a) To investigate activity within its terms of reference;
 - (b) To seek information from any employees;
 - (c) To obtain outside legal or other professional advice;
 - (d) To secure attendance of outsiders with relevant expertise, if it considers necessary; and
 - (e) To have full access to the information contained in the records of the Company.
- (aa) The Audit Committee shall mandatorily review the following information:
- (a) Management discussion and analysis of financial condition and result of operations;
 - (b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - (c) Details of all material transactions with related parties to be disclosed every quarter along with the compliance report on corporate governance;
 - (d) On a quarterly basis, the details of related party transactions entered into by the Company pursuant to each omnibus approval given;
 - (e) Whether the policy dealing with related party transactions is placed on the website of the Company;
 - (f) Management letters/letters of internal control weaknesses issued by the statutory auditors;
 - (g) Internal audit reports relating to internal control weaknesses;
 - (h) The appointment, removal and terms of remuneration of the chief internal auditor; and
 - (i) Statement of deviations:
 - (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
 - (ii) annual statement of funds utilized for purposes other than those stated in the issue document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

Nomination and Remuneration Committee

The Nomination and remuneration Committee of the Board consists of the following four members:

1. Ranjeet Natu, Independent Director- Chairman
2. Ashish Khandelwal, Independent Director – Member
3. Ashok Gokhale, Independent Director - Member
4. Govind Gadgil, Whole-time Director - Member

The Nomination and Remuneration Committee was constituted by a meeting of the Board of Directors held on November 10, 2017. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations. The terms of reference of the Nomination and Remuneration Committee as revised by a resolution of the Board of Directors passed in their meeting held on February 21, 2018 include:

- (a) Formulate 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 management personnel and other employees;
- (b) Formulation of criteria for evaluation of independent directors and the Board;
- (c) Devising a policy on Board diversity;
- (d) Identify persons who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance. Our Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
- (e) Analysing, monitoring and reviewing various human resource and compensation matters;
- (f) Determining our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- (g) Determine compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
- (h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- (i) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (j) Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
 - (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; or
 - (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;
- (k) Determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (l) Evaluating the current composition, organization and governance of the Board and its committees as well as determining future requirements and making recommendations to the Board for approval;
- (m) Determining on an annual basis, desired qualifications along with the expertise, characteristics and conduct searches for potential Board members with corresponding attributes. Thereafter, evaluation and proposal of nominees for election to the Board. In performing these tasks, the committee shall have the sole authority to retain and terminate any search firm to be used to identify director candidates;

- (n) Evaluation and recommendation of termination of membership of individual directors in accordance with the Board's governance principles for cause or for other appropriate reasons;
- (o) Making recommendations to the Board in relation to the appointment, promotion and removal of the senior management personnel at such level(s);
- (p) Reviewing, amending, modifying and approving all other human resources related policies of our Company from time to time;
- (q) Reviewing and recommending to the Board, manpower plan/ budget and sanction of new senior management positions from time to time in the future;
- (r) Reviewing and recommending to the Board, matters relating to revision of compensation/ salary and long term wage settlements;
- (s) Consideration and approval of employee stock option schemes and to administer and supervise the same;
- (t) Decision on matters such as quantum of and milestones for grant, eligibility of employees who shall be entitled to grant of options, vesting period and conditions thereof, termination policies etc;
- (u) Periodically reviewing and re-examining the terms of reference and making recommendations to our Board for any proposed changes;
- (v) Authorization to obtain advice, reports or opinions from internal or external counsel and expert advisors;
- (w) Ensuring proper induction program for new directors, key management personnel and senior management and reviewing its effectiveness along-with ensuring that on appointment, they receive a formal letter of appointment in accordance with guidelines provided under the Companies Act, 2013;
- (x) Developing a succession plan for our Board and senior management and regularly reviewing the plan;
- (y) Consideration and determination of the nomination and remuneration policy based on performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and such other factors as the Committee shall deem appropriate;
- (z) Ensuring that it proactively maintains a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company; and
- (aa) Perform such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by such committee.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Ashish Khandelwal, Independent Director- Chairman
2. Amit Modak, Whole-time Director and Chief Executive Officer - Member
3. Govind Gadgil, Whole-time Director - Member

The Stakeholders' Relationship Committee was constituted by our Board of Directors at their meeting held on March 30, 2018.

The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the Listing Regulations. The terms of reference are as follows:

- (a) Redressal of grievances of shareholders, debenture holders and other security holders, including complaints related to the transfer of shares;
- (b) Collecting and analysing reports received periodically from the Registrar and the Share Transfer Agent ("RTA") on the following:

- Complaints regarding non-receipt of the shares, debentures, deposit receipt, declared dividend or interest;
 - Complaints of investors routed by the SEBI or Stock Exchanges and others;
 - Transfer, sub-division, consolidation, split, exchange, endorsement, transmission of share certificates and transposition of share certificates;
 - Issue of share certificates, debenture certificates, duplicate share or debenture certificates in lieu of lost/ torn/ mutilated/ defaced certificates;
 - Requests relating to de-materialization and re-materialization of shares;
 - Requests relating to modes of paying the dividend i.e. through electronic clearing service, RTGS and issue of dividend warrant for dividend payment/ interest etc.; and
 - Complaints related to allotment of shares, transfer or transmission of shares, debentures or any other securities, non-receipt of annual report and non-receipt of declared dividends or any other document or information to be sent by our Company to its shareholders.
- (c) Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- (d) Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- (e) Non-receipt of declared dividends, balance sheets of our Company, annual report or any other documents or information to be sent by our Company to its shareholders; and
- (f) Carrying out any other function as prescribed under the SEBI Listing Regulations, Companies Act, 2013 and the rules and regulations made there under, each as amended or other applicable law.”

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

1. Ashok Gokhale, Independent Director - Chairman
2. Govind Gadgil, Whole-time Director - Member
3. Amit Modak, Whole-time Director and Chief Executive Officer - Member

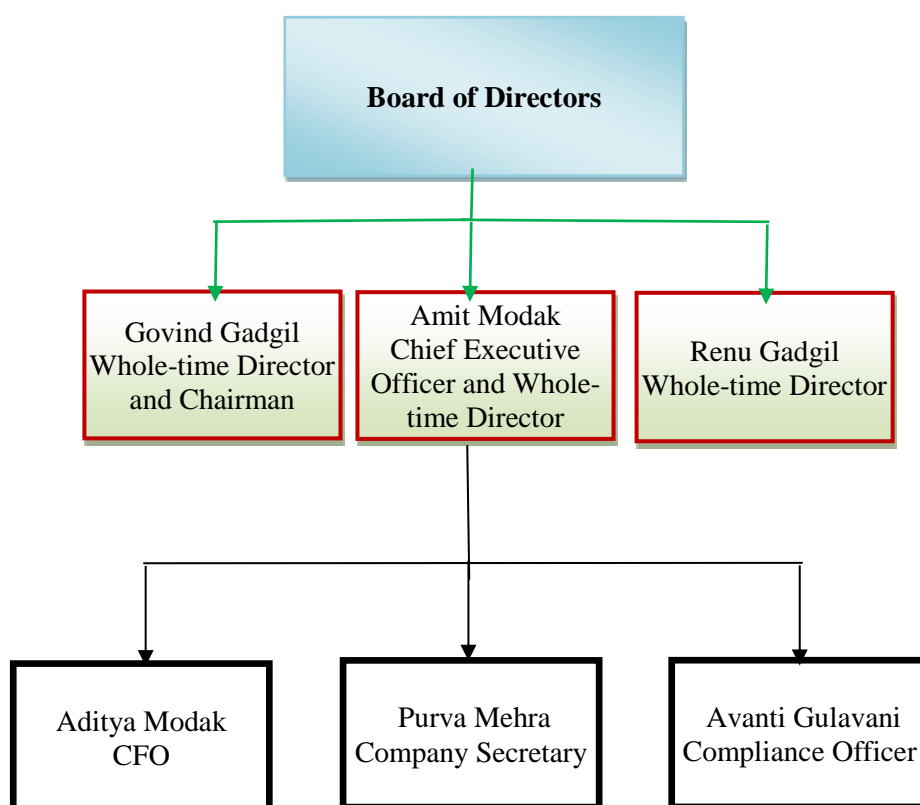
The Corporate Social Responsibility Committee was constituted by our Board of Directors at their meeting held on March 30, 2018.

The terms of reference of the Corporate Social Responsibility Committee of our Company include the following:

- (a) Formulating and recommending to the Board the corporate social responsibility policy of the Company, including any amendments thereto in accordance with Schedule VII of the Companies Act, 2013 and the rules made thereunder;
- (b) Ensuring that the corporate social responsibility policy shall include/ indicate the activities to be undertaken by the companies as specified in Schedule VII of the Companies Act, 2013 and the rules made there under, from time to time excluding the activities undertaken in pursuance of its normal course of business;
- (c) Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;
- (d) Recommending the amount of corporate social responsibility policy expenditure for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;

- (e) Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required;
- (f) Delegating responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- (g) Assistance to our Board to ensure that our Company spends towards the corporate social responsibility activities in every Fiscal, such percentage of average net profit/ amount as may be prescribed in the Companies Act, 2013 and/ or rules made thereunder;
- (h) Reviewing and monitoring the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
- (i) Providing explanation to the Board if our Company fails to spend the prescribed amount within the financial year;
- (j) Providing updates to our Board at regular intervals of six months on the corporate social responsibility activities;
- (k) Regulation of its own proceedings subject to the terms of reference;
- (l) Reviewing and recommending the corporate social responsibility plan for the ensuing Fiscal to our Board;
- (m) Approval of any project that may come during the year and which is not covered in the corporate social responsibility plan up to such amount as may be prescribed by our Board from time to time; and
- (n) Performing such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company.

Management Organisation Chart



Key Management Personnel

In addition to Govind Gadgil, Whole-time Director, Renu Gadgil, Whole-time Director and Amit Modak, Whole-time Director and Chief Executive Officer, the details of the other Key Management Personnel of our Company are as follows:

Aditya Modak, aged 27 years, has been the Chief Financial Officer of our Company since December 5, 2017. He holds a bachelor's degree in commerce from University of Pune and is a fellow member of the Institute of Chartered Accountants of India. He has over four years of experience in the jewellery industry. His term of office is till his resignation or termination of services by our Company. Aditya Modak was paid ₹ 1.81 million in Fiscal 2018.

Purva Mehra, aged 29 years, has been the Company Secretary of our Company since February 6, 2018. She holds a bachelor's degree in commerce from Delhi University and holds a post graduate diploma in business administration from Symbiosis Centre for Distance Learning. She is an associate member of the Institute of Company Secretaries of India. In the past, she was associated with Shree Nirman Limited in the capacity of Company Secretary. Her term of office is till her resignation or termination of services by our Company. Purva Mehra was paid ₹ 0.09 million in Fiscal 2018.

Avanti Gulavani, aged 32 years, has been the Compliance Officer of our Company since April 9, 2018. She holds a bachelor's degree in commerce from the University of Pune. She is an associate member of the Institute of Company Secretaries of India. In the past she was associated with C.S. Kelkar & Associates in the capacity of Associate Partner. Her term of office is till her resignation or termination of services by our Company. Since Avanti Gulavani was appointed in Fiscal 2019, she was not paid any remuneration in Fiscal 2018.

For details of the brief profile of our Whole-time Directors, please see “– *Brief biographies of Directors*” hereinabove.

Other than as set out in “– *Relationship between our Directors*” hereinabove, except for Amit Modak, Whole-time Director and Chief Executive Officer who is the father of Aditya Modak, Chief Financial Officer, none of our Key Management Personnel as disclosed above are related to the Directors of our Company or to each other.

All the Key Management Personnel are permanent employees of our Company.

Shareholding of Key Management Personnel

For details of shareholding of our Key Management Personnel in our Company, please see “*Capital Structure - Details of Equity Shares held by our Directors and Key Management Personnel of our Company*” on page 74 and “– *Shareholding of Directors in our Company*” on page 141.

Bonus or profit sharing plans for the Key Management Personnel

Except as set out in this section and the chapter entitled “*Capital Structure*”, none of the Key Management Personnel are party to any bonus or profit sharing plan of our Company other than the performance linked incentive given to each Key Management Personnel and any options granted to them under ESOP.

Interests of Key Management Personnel

None of the Key Management Personnel of our Company, other than our Whole-time Directors, have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and the reimbursement of expenses incurred by them during the ordinary course of business. All the Key Management Personnel may also be deemed to be interested to the extent of the Equity Shares held by them, any dividend payable to them and any option granted to them under ESOP.

For details of the interest of our Whole-time Directors, please see “– *Interest of Directors*” hereinabove.

Changes in the Key Management Personnel

Except for the changes to our Board of Directors, including redesignation of Executive Directors, as set forth under “*Our Management - Changes in the Board in the last three years*” herein above, the changes in the Key Management Personnel in the last three years immediately preceding the date of this Draft Red Herring Prospectus are as follows:

Name	Designation	Date of Appointment/ Change/Cessation	Reason for change
Amit Modak	Whole-time Director and Chief Executive Officer	December 5, 2017	Appointment
Aditya Modak	Chief Financial Officer	December 5, 2017	Appointment
Purva Mehra	Company Secretary	February 6, 2018	Appointment
Avanti Gulavani	Compliance Officer	April 9, 2018	Appointment

Loans to Key Management Personnel

No loans have been availed by our Key Management Personnel from our Company.

Contingent and deferred compensation payable to Key Management Personnel

Other than performance linked incentives, there is no contingent or deferred compensation payable to Key Management Personnel, which does not form part of their remuneration.

Service Contracts with Key Management Personnel

Our Key Management Personnel have not entered into any service contracts with our Company.

Service Contracts to the benefit of Key Management Personnel upon termination of employment

Our Company has not entered into any service contracts, pursuant to which its Key Management Personnel are entitled to benefits upon termination of employment or upon retirement.

Payment or Benefit to officers of our Company

Except the normal remuneration / commission for services rendered as our Directors, officers or employees, and the rent and maintenance charges paid to our Promoters, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of the officers. For further details, please see “*Financial Information*” on page 162.

None of our Directors or Key Management Personnel has entered into service contracts with our Company providing for benefits or payments upon termination of employment or upon retirement.

Employee Stock Option and Stock Purchase Scheme

For details of the employee stock option of our Company which is currently in force, see “*Capital Structure – Employee Stock Option Plan*” on page 75.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

The Promoters of our Company are:

1. Govind Gadgil; and
2. Renu Gadgil.

As on the date of this Draft Red Herring Prospectus, our Promoters, Govind Gadgil and Renu Gadgil hold 18,518,520 and 14,814,815 Equity Shares, representing 54.84% and 43.87%, respectively, of the pre- Issue subscribed and paid-up Equity Share Capital of our Company. For details of the build-up of our Promoters' shareholding in our Company, see "*Capital Structure*" on page 67.

Details in relation to our Promoters are as follows:



Govind Gadgil, aged 58 years, is the Chairman and a Whole-time Director of our Company. He is a citizen of India. For further details, see "*Our Management*" on page 136 and this section.

The voter identification number of Govind Gadgil is MT/0042/0247/963042 and his driving license number is MH12 20050662983.



Renu Gadgil, aged 56 years, is a Whole-time Director of our Company. She is a citizen of India. For further details, see "*Our Management*" on page 136 and this section.

The voter identification number of Renu Gadgil is MT/0042/0247/963441. She does not have a driving license.

Our Company confirms that the permanent account number, bank account numbers and passport numbers of Govind Gadgil and Renu Gadgil shall be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

Interests of Promoters

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding in our Company, as applicable, and the dividends payable, if any, and any other distributions in respect of their shareholding in our Company. For details of the shareholding of our Promoters in our Company, see "*Capital Structure*" on page 67.

Govind Gadgil and Renu Gadgil, by virtue of being Chairman and Whole-time Director and Whole-time Director respectively, are also interested in our Company to the extent of remuneration, reimbursement of expenses, or any other benefits payable to them in such capacities and rent and maintenance charges due to them from our Company and . For further details, see "*Our Management*" on page 136.

Our Promoters are not interested (directly or indirectly) in the properties acquired by our Company in the two years preceding the filing of this Draft Red Herring Prospectus with SEBI or proposed to be acquired by our Company.

Except as stated below, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus or proposes to enter into any such contract,

arrangements or agreements in which our Promoters or Promoter Group are directly or indirectly interested and no payments or benefits are intended to be made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them. For further details of related party transactions, as per Accounting Standard 18, see “*Related Party Transactions*” on page 161.

Our Promoters are not interested in any transactions for the acquisition of land, construction of building or supply of machinery, etc.

Our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company. Our Promoters are not related to any sundry debtors or beneficiaries of loans and advances of our Company.

Our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person either to induce the Promoters to become, or qualify them as directors, or otherwise for services rendered by them or by such firm or company in connection with the promotion or formation of our Company.

Our Promoters are also interested in our Company to the extent of their shareholding in our Group Company with which our Company transacts during the course of its operations, if any. For details on our Group Company and the nature and extent of interest of our Promoters in our Group Company, refer to the section titled “*Our Group Company*” on page 157.

Loan

Except as stated in “*Financial Information*” on page 162 our Promoters have not given any loans to our Company.

Other ventures of our Promoters

Except as disclosed in the section “*Our Management*” on page 136 and under “– *Entities forming part of the Promoter Group*” on page 156, our Promoters are not involved with any other venture.

Companies with which our Promoters have disassociated in the last three years

Our Promoters have not disassociated themselves from any companies during the three years preceding the date of filing of this Draft Red Herring Prospectus.

Payment or benefits to our Promoter and Promoter Group

Except as stated in the sections titled “*Restated Financial Information*” and “*Our Management*” on pages 162 and 136 respectively, there have been no payment or benefits to our Promoters or members of our Promoter Group during the two years preceding the filing of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoter or Promoter Group as on the date of this Draft Red Herring Prospectus.

Change in the management and control of our Company

Our Promoters are the original Promoters of our Company and there has not been any change in the management or control of our Company in five years immediately preceding the date of this Draft Red Herring Prospectus.

Guarantees

Except as stated in the section “*History and Certain Corporate Matters*” on page 133 and in the section “*Financial Indebtedness*” on page 246 our Promoters have not given any guarantee to a third party as of the date of this Draft Red Herring Prospectus.

Confirmations

Neither our Promoters nor the members of the Promoter Group have been declared as wilful defaulters as defined under SEBI ICDR Regulations.

Our Promoters and members of the Promoter Group have not been prohibited from accessing or operating in capital markets or restrained from buying selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority. Further, there are no violations of securities laws

committed by our Promoters and members of the Promoter Group in the past and no proceedings for violation of securities laws are pending against them.

Our Promoters and members of the Promoter Group are not and have never been promoters, directors or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last five years preceding the date of the Issue, involving/against our Promoters.

Our Promoters are not interested in any entity which holds any intellectual property rights that are used by our Company. For details see “*Our Business*” on page 119.

Our Promoters have not taken any unsecured loans which may be recalled by the lenders at any time.

Promoter Group

In addition to our Promoters named above, the following individuals and entities form a part of the Promoter Group of our Company in terms of Regulation 2(1)(zb) of the SEBI ICDR Regulations are set out below:

Natural persons who are part of the Promoter Group

The natural persons who are part of the Promoter Group (due to their relationship with our Promoters), other than our Promoters, are as follows:

Name of the Relative	Relationship with our Promoter
<i>Govind Gadgil</i>	
Vishwanath Gadgil	Father
Sarala Gadgil	Mother
Rohini Kalkundrikar	Sister
Anjali Gadgil	Sister
Satyajit Gadgil	Son
Parikshit Gadgil	Son
Vinayak Khadilkar	Spouse's father
Manda Khadilkar	Spouse's mother
Ravindra Khadilkar	Spouse's brother
Jyoti Paranjape	Spouse's sister
<i>Renu Gadgil</i>	
Vinayak Khadilkar	Father
Manda Khadilkar	Mother
Ravindra Khadilkar	Brother
Jyoti Paranjape	Sister
Satyajit Gadgil	Son
Parikshit Gadgil	Son
Vishwanath Gadgil	Spouse's father
Sarala Gadgil	Spouse's mother
Rohini Kalkundrikar	Spouse's sister
Anjali Gadgil	Spouse's sister

Entities forming part of the Promoter Group

The entities forming part of our Promoter Group are as follows:

1. Puneet Shares and Finance Private Limited;
2. Gadgil Metals and Commodities;
3. Govind Gadgil HUF
4. Bhide Gadgil Associates
5. Bhide Gadgil Developers
6. Shree Construction Company

OUR GROUP COMPANY

In accordance with the SEBI ICDR Regulations, for the purpose of identification of group companies, the Company has considered such companies covered under the applicable accounting standard, i.e., Indian Accounting Standard 24 (“Ind AS 24”) issued by the Institute of Chartered Accountants of India and other companies as per the materiality policy adopted by the Board through the resolution dated April 18, 2018.

As per the said materiality policy, in addition to companies covered under Ind AS 24, a company shall be considered as a group company if (i) such company forms part of the Promoter Group of the Company and the Company has entered into one or more transactions with such company during the last completed financial year; or (ii) such company would be considered as a related party in terms of Ind AS 24, as applicable, in the financial statements of the Company for periods subsequent to the Relevant Period, up to the date of filing of the issue document; or (iii) other material companies, with which the Company has entered into one or more transactions, individually or cumulatively, in value exceeds 10% of the total revenue of the Company for that financial year as per the restated financial statements of the Company.

Based on the above, Puneet Shares and Finance Private Limited is our Group Company.

A. Details of our Group Company

The details of our Group Company is provided below:

Puneet Shares and Finance Private Limited (“PSFPL”)

Corporate Information and nature of business

PSFPL was originally incorporated as “Pune Share & Stocks Private Limited” on July 22, 1998. Thereafter, the name was changed to PSFPL pursuant to the issuance of a fresh certificate of incorporation consequent on change of name on February 15, 1999. The registered office of PSFPL is at 606-608, Siddharth Towers, near Swapnashil Society, Off Karve Road, Kothrud, Pune – 411 037, Maharashtra. The corporate identification number of PSFPL is U67120PN1998PTC012711. PSFPL stopped trading activity and is not engaged in the business of stock broking as on date.

Capital structure

The issued and paid-up share capital of PSFPL is ₹ 10.00 million divided into 1,000,000 equity shares of ₹10 per equity share.

Interest of our Promoters

Our Promoters are interested in PSFPL to the extent of their shareholding and directorship and in any dividend distribution and corporate benefits which may be made by PSFPL in the future.

Name of the Director	Name of Group Company	Number of Equity Shares	Shareholding in the Group Company (%)
Renu Gadgil	Puneet Shares and Finance Private Limited	200,000	20
Govind Gadgil	Puneet Shares and Finance Private Limited	790,000	79
Amit Modak	Puneet Shares and Finance Private Limited	10,000	1

Financial Information

The financial information of PSFPL derived from its audited financial information for the last three Fiscals is as follows:

(in ₹ million, except per share data)

Particulars	Financial Year ended		
	2017	2016	2015
Equity capital	10.00	10.00	10.00
Reserves and surplus (excluding revaluation reserve)	12.71	12.44	12.18
Sales and other income	0.48	0.88	3.17
Profit/(loss) after tax	0.26	0.28	0.08
Earnings/ (loss) per share (₹)	0.26	0.28	0.08
Diluted earnings per share (₹)	0.26	0.28	0.08
Net asset value per share (₹)	22.71	22.44	22.18

There are no significant notes of the auditors in relation to the aforementioned financial statements.

B. Loss making Group Company

Our Group Company has not incurred loss in the preceding 3 Fiscals.

C. Details of Group Company with negative net worth

Our Group Company does not have negative net worth.

D. Details of sick or defunct Group Company

Our Group Company was not declared as sick company under the Sick Industrial Companies (Special Provisions) Act, 1985, as amended, or are under winding up. Further, during the five years preceding the date of this Draft Red Herring Prospectus, our Group Company has not remained defunct and no application has been made to the relevant registrar of companies for striking off the name of our Group Company.

E. Nature and Extent of Interest of Group Company

(a) In the promotion of our Company

Except as disclosed in “*Restated Financial Information*” on page 162, our Group Company do not have any interest in the promotion or any business interest or other interests in our Company.

(b) In the properties acquired or proposed to be acquired by our Company in the past two years before filing this Draft Red Herring Prospectus with SEBI

Our Group Company is not interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of this Draft Red Herring Prospectus.

(c) In transactions for acquisitions of land, construction of building and supply of machinery

Except as disclosed in “*Restated Financial Information*” on page 162, our Group Company is not interested in any transactions for the acquisition of land, construction of building or supply of machinery and no payments have been made or proposed to be made in respect of these contracts, agreements or arrangements by Our Company to its Group Company.

F. Common Pursuits amongst the Group Company with our Company

There are no common pursuits among our Group Company and our Company. Our Company would adopt necessary measures and practises as permitted by law and regulatory guidelines to address any conflict situation as and when they arise.

G. Related Business Transactions within the Group Company and significance on the financial performance of our Company

For more information, see “*Restated Financial Information*” on page 162.

H. Significant Sale/Purchase between Group Company and our Company

Our Group Company is not involved in any sales or purchase with our Company where such sales or purchases exceed in value in the aggregate of 10 % of the total sales or purchases of our Company.

I. Other Confirmations

Our Group Company is not listed on any stock exchange or have made any public or rights issue of securities in preceding three years.

Our Group Company is not debarred from accessing the capital market for any reasons by the SEBI or any other authorities.

Our Group Company is not identified as wilful defaulters as defined under the SEBI ICDR Regulations.

J. Litigation

For details relating to the legal proceedings involving the Group Company, see the section titled “*Outstanding Litigation and Material Developments*” on page 274.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association, the applicable law, including the Companies Act. The declaration of dividend, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements, contractual obligations, applicable legal restrictions and overall financial position of the Company. Our Company has a dividend distribution policy. Upon the listing of the Equity Shares of our Company and subject to the SEBI Listing Regulations, we may be required to formulate a dividend distribution policy which shall be required to include, among others, details of circumstances under which the shareholders may or may not expect dividend, the financial parameters that shall be considered while declaring dividend, internal and external factors that shall be considered for declaration of dividend, policy as to how the retained earnings will be utilized and parameters that shall be adopted with regard to various classes of shares, as applicable.

In addition, our ability to pay dividends may be impacted by a number of other factors, including restrictive covenants under the loan or financing documents. Our Company is currently a party to or may enter into from time to time. For more information on restrictive covenants under our loan agreements, see “*Financial Indebtedness*” on page 246.

Since we were incorporated as a Company on November 6, 2017, the Board, through its resolution dated April 18, 2018 has proposed a 40% rate of dividend on Equity Shares, on a *pro-rata* basis, subject to the approval of the shareholders of our Company, to be paid by our Company towards the last Financial Year.

Our past practices with respect to the declaration of dividends are not necessarily indicative of our future dividend declaration. For details in relation to the risk involved, see “*Risk Factors*” on page 17.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, as per the requirements under Ind AS 24 '*Related Party Disclosures*' issued by the Institute of Chartered Accountants in India and as reported in the Restated Financial Information, see "*Restated Financial Information*" on page 162.

SECTION V: FINANCIAL INFORMATION

RESTATED FINANCIAL INFORMATION

S. No.	Details	Page no.
1.	Auditors' Report on the Restated Financial Information	163
2.	Restated Financial Information	167

INDEPENDENT AUDITOR'S REPORT ON THE RESTATED FINANCIAL INFORMATION

To

The Board of Directors

P. N. Gadgil & Sons Limited

Abhiruchi Mall, S.No.59 /1-C,
Wadgaon (BK), Sinhgad Road,
Pune – 411041
India

Dear Sirs,

1. We have examined the attached Restated Financial Information of P. N. Gadgil & Sons Limited (the erstwhile partnership firm upto November 6, 2017 hereinafter referred to as “the Company”) which comprise the Restated Statement of Assets and Liabilities as at March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014, the Restated Statement of Profit and Loss including Other Comprehensive Income, Restated Statement of Changes in Equity and the Restated Statement of Cash Flows for the financial years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 along with summary of Significant Accounting Policies and the notes thereon and the summary statements annexed to this report (collectively, the “Restated Financial Information”), prepared by the Company for the purpose of inclusion in the offer document in connection with its proposed initial public offering of equity shares (the “Issue”), and initialled by us for identification purposes only. The Restated Financial Information, which have been approved by the Board of Directors of the Company and is prepared by the Company in accordance with the requirements of:
 - a) sub-clauses (i) and (iii) of clause (b) of sub section (1) Section 26 of part I of Chapter III of the Companies Act, 2013 (the “Act”) read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 (the “Rules”) and
 - a) relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended to date (the “ICDR Regulations”) in pursuance of provisions of Securities and Exchange Board of India Act, 1992 read along with the SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 on Clarification regarding applicability of Indian Accounting Standards to disclosures in offer documents as issued by the Securities and Exchange Board of India (“SEBI”).

Management's Responsibility for the Restated Financial Information and Summary Statements

2. The preparation of the Restated Financial Information and summary statements annexed to this report which is to be included in the offer document is the responsibility of the Management of the Company for the purpose set out in paragraph 9 below. The Management's responsibility includes designing, implementing and maintaining adequate internal controls relevant to the preparation and presentation of the Restated Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditor's Responsibilities

3. We have examined such Restated Financial Information after taking into consideration:
 - a. the terms of reference and terms of our engagement agreed upon with you vide our engagement letter dated January 24, 2018 in connection with the proposed Issue ("Engagement Letter"); and
 - b. The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India (the "Guidance Note").
 - c. The requirements of Section 26 of the Act read with applicable provisions within Rules 4 to 6 of the Rules and the ICDR Regulations. Our work was performed solely to assist the Company in meeting their responsibilities in relation to compliance with the Act and the ICDR Regulations in connection with the Issue.
4. The Restated Financial Information expressed in Indian Rupees, in millions, has been prepared under Indian Accounting Standards ('Ind-AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 and have been compiled by the Company's management from the audited financial statements as at and for the financial years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 which have been approved by the Board of Directors of the Company.
5. In accordance with the requirements of Section 26 of Part I of Chapter III of the Act read with, Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the ICDR Regulations and the Guidance Note, we report that we have examined the following, contained in the Restated Financial Information of the Company which as stated in Annexure V to this report have been arrived after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VI – Restated Statement of Material Adjustments read with paragraph 9 below:
 - a) The Restated Statement of Assets and Liabilities of the Company as at the financial years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 as set out in Annexure I to this report.
 - b) The Restated Statement of Profit and Loss including Other Comprehensive Income of the Company for the financial years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 as set out in Annexure II to this report.
 - c) The Restated Statement of Changes in Equity of the Company for the financial years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014, as set out in Annexure III to this report.
 - d) The Restated Statement of Cash Flows of the Company for the financial years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014, as set out in Annexure IV to this report.

- e) Based on the above and according to the information and explanations given to us, we further report that the Restated Financial Information of the Company as attached to this report, read with basis of preparation and significant accounting policies given in Annexure V have been prepared in accordance with the Act, the Rules and the ICDR Regulations and :
 - (i) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;
 - (ii) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate;
 - (iii) do not contain any extraordinary items that need to be disclosed separately in the Restated Financial Information;
 - (iv) do not contain any qualifications /Emphasis of Matter requiring adjustments
- 6. At the Company's request, we have also examined the following Restated Other Financial Information of the Company as at and for the financial years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 proposed to be included in the offer document, prepared by the Management of the Company and approved by the Board of Directors and annexed in this report :
 - (i) Notes to Restated Financial Information including basis of preparation and significant accounting policies enclosed in Annexure V;
 - (ii) Restated Statement of Material Adjustments, enclosed in Annexure VI
 - (iii) Restated Statement of Accounting Ratios, enclosed in Annexure VII
 - (iv) Restated Statement of Capitalisation, enclosed in Annexure VIII
 - (v) Restated Statement of Tax Shelters, enclosed in Annexure IX

According to the information and explanations given to us, in our opinion, the Restated Financial Information and the above Restated Other Financial Information contained in Annexures V to IX accompanying this report, read with the significant accounting policies disclosed in Annexure V, are prepared after making adjustments and regroupings as considered appropriate and have been prepared in accordance with Section 26 of Part I of Chapter III of the Act read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, ICDR Regulations and the Guidance Note.

- 7. This report should not be in any way construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
- 8. We have no responsibility to update our report for events and circumstances occurring after the date of this report.

Restriction on Use

9. Our report is intended solely for use of the management and for inclusion in the offer document to be filed with SEBI, BSE Limited (“BSE”), National Stock Exchange of India Limited (“NSE”) and Registrar of Companies, Maharashtra (Pune) in connection with the proposed issue of equity shares of the Company. Our report should not to be used, referred to or distributed for any other purpose except with our prior consent in writing.

For Shah & Taparia

Chartered Accountants

Firm Registration No.: 109463W

Ramesh Pipalawa

Partner

Membership No. : 103840

Place: Pune

Date: May 3, 2018

Particulars	Notes of Annexure V	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
ASSETS						
Non-current assets						
Property, plant and equipment	3	828.29	819.17	591.04	360.80	336.19
Capital work-in-progress	3	-	2.81	1.41	170.85	-
Intangible assets	4	4.16	3.43	3.67	1.43	1.04
Investment Property	5	33.74	-	-	-	-
Financial assets						
- Investments	6	7.51	7.51	7.51	7.51	0.00
- Other financial assets	6	52.46	47.86	45.81	43.36	59.19
Deferred tax assets (net)	17	-	-	7.60	0.32	-
Other non current assets	7	-	-	11.72	11.72	11.72
		926.15	880.79	668.77	595.99	408.13
Current assets						
Inventories	8	3,819.99	2,652.52	1,675.69	1,623.76	1,021.67
Financial assets						
- Investments	6	-	100.04	92.66	100.15	100.16
- Loans	6	-	30.07	-	-	-
- Other financial assets	6	88.09	59.83	38.27	23.12	58.44
- Trade receivables	9	16.40	24.61	23.19	20.64	26.16
- Cash and cash equivalents	10	273.40	248.05	258.68	367.04	559.70
- Other bank balances	11	0.81	19.57	49.01	27.04	15.26
Other current assets	12	46.61	42.74	24.56	7.42	9.76
		4,245.30	3,177.43	2,162.05	2,169.15	1,791.14
Total Assets		5,171.45	4,058.21	2,830.83	2,765.15	2,199.28
EQUITY AND LIABILITIES						
Equity						
Share capital	13	202.62	180.07	180.07	180.07	180.07
Other equity	14	1,026.42	1,000.76	660.00	427.31	140.72
Total Equity		1,229.05	1,180.82	840.07	607.38	320.78
Liabilities						
Non-current liabilities						
Financial liabilities						
- Long Term Borrowings	15	436.48	227.76	-	-	-
Long term provisions	16	18.71	16.82	13.02	10.35	6.57
Deferred tax liabilities (net)	17	3.10	0.70	-	-	0.78
		458.29	245.29	13.02	10.35	7.35
Current liabilities						
Financial liabilities						
- Short Term Borrowings	15	2,373.42	1,639.27	1,462.73	1,668.76	1,322.89
- Other financial liabilities	15	34.78	23.47	-	-	58.82
- Trade payables	18	313.94	367.29	85.89	89.08	181.61
Short term provisions	16	2.86	1.23	0.95	1.59	2.35
Provision for income tax	19	16.89	70.15	-	43.81	28.51
Other current liabilities	20	742.22	530.71	428.17	344.19	276.97
		3,484.11	2,632.11	1,977.74	2,147.43	1,871.15
Total Liabilities		3,942.40	2,877.39	1,990.76	2,157.77	1,878.49
Total Equity and Liabilities		5,171.45	4,058.21	2,830.83	2,765.15	2,199.28

0.00 denotes amounts below the rounding off convention

The above statement should be read with the Basis of Preparation and Significant Accounting Policies appearing in Note 2 of Annexure V of Notes to the Restated Financial Information and the Restated Statement of Material Adjustments appearing in Annexure VI.

As per our report of even date

For Shah & Taparia
Chartered Accountants
Firm Registration No: 109463W

For and on behalf of the Board of Directors of
P. N. Gadgil & Sons Limited
CIN: U36911PN2017PLC173262

Ramesh Pipalawa
Partner

Govind Gadgil
Chairman and
Whole-time
Director
Amit Modak
Whole-time
Director and
Chief Executive
Officer
DIN: 00616617
Place: Pune
Date: May 3, 2018

Aditya Modak
Chief Financial
Officer

Purva Mehra
Company
Secretary

Membership No. 103840
Place: Pune
Date: May 3, 2018

Membership No. 33796

P. N. Gadgil & Sons Limited
Annexure II Restated Statement of Profit and Loss

(Rs. in millions)

Particulars	Notes of Annexure V	For the year ended March 31, 2018	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
I Income						
Revenue from operations	21	18,367.52	15,460.10	16,539.94	14,820.32	11,591.90
Other income	22	16.37	34.98	29.00	13.52	20.54
Total Income		18,383.89	15,495.08	16,568.93	14,833.85	11,612.44
II Expenses						
Cost of goods sold	23	16,364.62	13,730.03	15,130.24	13,445.73	10,590.05
Excise duty on sale of goods		42.80	116.82	-	-	-
Employee benefits expense	24	367.80	303.57	299.12	276.38	219.97
Other expenses	25	469.97	338.34	331.43	281.97	230.04
Total Expenses		17,245.19	14,488.76	15,760.79	14,004.08	11,040.06
III Restated earnings before interest, tax, depreciation and amortization (EBITDA) (I-II)		1,138.70	1,006.32	808.14	829.76	572.38
Finance cost	26	267.04	246.07	248.80	213.13	191.34
Depreciation and amortization expense	27	65.72	53.27	43.42	34.26	23.51
IV Restated Profit before tax (PBT)		805.93	706.98	515.92	582.37	357.54
Tax expenses						
- Current tax	17	228.40	216.18	171.71	194.52	119.90
- Deferred tax charge / (credit)	17	1.95	8.38	(7.47)	(0.62)	0.67
V Income tax expense		230.35	224.56	164.24	193.90	120.57
VI Restated Net Profit after tax		575.58	482.42	351.68	388.47	236.97
VII Restated Other Comprehensive Income (OCI)						
Items that will not be reclassified to profit or loss :						
Re-measurement gain / (loss) on defined benefit	29	1.49	(0.25)	0.58	(1.42)	0.34
Effect of income tax (charge) / credit	17	(0.45)	0.09	(0.20)	0.48	(0.12)
VIII Restated Other Comprehensive Income (net of taxes)		1.05	(0.16)	0.38	(0.94)	0.23
Total restated comprehensive income (net of taxes) (VI+VIII)		576.63	482.26	352.06	387.54	237.20
Basic and Diluted Earnings Per Share (EPS)	28	19.02	16.07	11.72	12.94	7.90

The above statement should be read with the Basis of Preparation and Significant Accounting Policies appearing in Note 2 of Annexure V of Notes to the Restated Financial Information and the Restated Statement of Material Adjustments appearing in Annexure VI.

As per our report of even date

For Shah & Taparia
Chartered Accountants
Firm Registration No: 109463W

For and on behalf of the Board of Directors of
P. N. Gadgil & Sons Limited
CIN: U36911PN2017PLC173262

Ramesh Pipalawa
Partner

Govind Gadgil Chairman and Whole-time Director	Amit Modak Whole-time Director and Chief Executive Officer	Aditya Modak Chief Financial Officer	Purva Mehra Company Secretary
DIN: 00616617 Place: Pune Date: May 3, 2018	DIN: 00396631 Place: Pune Date: May 3, 2018		Membership No. 33796

Membership No. 103840
Place: Pune
Date: May 3, 2018

P. N. Gadgil & Sons Limited
Annexure III Restated Statement of Changes in Equity

EQUITY SHARE CAPITAL

	(Rs. in millions)				
Particulars	As at March 31,2018	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
Issued, subscribed and fully paid up					
Opening balance	180.07	180.07	180.07	180.07	180.07
Changes in equity share capital	22.56	-	-	-	-
Closing balance	202.62	180.07	180.07	180.07	180.07

OTHER EQUITY

	(Rs. in millions)				
Particulars	As at March 31,2018	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
i. Retained earnings					
Opening balance	1,000.76	660.00	427.31	140.72	-
Profit for the period	575.58	482.42	351.68	388.47	236.97
Other Comprehensive Income	1.05	(0.16)	0.38	(0.94)	0.23
Less :					
Unamortized Preliminary Expenses	(2.13)	-	-	-	-
Dividend distributed (Refer Note 44 and 45)	(1,315.78)	(141.50)	(119.36)	(100.94)	(96.48)
Transfer to Inventory Price Risk Reserve	(30.00)	-	-	-	-
Transfer to General Reserve	(26.10)	-	-	-	-
Closing balance	203.37	1,000.76	660.00	427.31	140.72
ii. Other Reserves					
General Reserve					
Opening balance	-	-	-	-	-
Transfer during the period	26.10	-	-	-	-
Closing balance	26.10	-	-	-	-
Securities Premium					
Opening balance	-	-	-	-	-
Issue of share capital	766.95	-	-	-	-
Closing balance	766.95	-	-	-	-
Inventory Price Risk Reserve					
Opening balance	-	-	-	-	-
Transfer during the year	30.00	-	-	-	-
Closing balance	30.00	-	-	-	-
Total Other Equity	1,026.42	1,000.76	660.00	427.31	140.72

The above statement should be read with the Basis of Preparation and Significant Accounting Policies appearing in Note 2 of Annexure V of Notes to the Restated Financial Information and the Restated Statement of Material Adjustments appearing in Annexure VI.

As per our report of even date
For Shah & Taparia
Chartered Accountants
Firm Registration No: 109463W

For and on behalf of the Board of Directors of
P. N. Gadgil & Sons Limited
CIN: U36911PN2017PLC173262

Ramesh Pipalawa
Partner

Govind Gadgil
Chairman and
Whole-time
Director

Amit Modak
Whole-time
Director and
Chief Executive
Officer

DIN: 00616617
Place: Pune
Date: May 3, 2018

Aditya Modak
Chief Financial
Officer

Purva Mehra
Company
Secretary

Membership No. 103840
Place: Pune
Date: May 3, 2018

Membership No. 33796

(Rs. in millions)

Particulars	For the year ended March 31, 2018	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
A. Cash Flows from Operating Activities					
Profit before tax from continuing operations	805.93	706.98	515.92	582.37	357.54
Profit before tax	805.93	706.98	515.92	582.37	357.54
Adjustment to reconcile profit before tax to net cash flows :					
Depreciation on property, plant and equipment	65.20	52.86	43.18	34.13	23.41
Amortization on intangible assets	0.53	0.41	0.24	0.14	0.10
Depreciation & amortization written back	-	-	-	-	(5.53)
Re-measurement gain / (loss) on defined benefit plans	1.49	(0.25)	0.58	(1.42)	0.34
Finance income (including fair value change in financial instruments)	(0.75)	(3.74)	(5.30)	(2.65)	(2.68)
Finance cost	267.04	246.07	248.80	213.13	191.34
(Profit)/Loss on sale of assets	(6.18)	1.06	0.04	0.01	-
Operating profit before working capital changes	1,133.27	1,003.39	803.46	825.71	564.51
Working capital adjustments :					
Increase/(Decrease) in trade payables	(53.35)	281.40	(3.19)	(92.53)	100.25
Increase/(Decrease) in provisions	3.52	4.08	2.03	3.02	8.92
Increase/(Decrease) in current tax provisions	(53.25)	70.15	(43.81)	15.30	28.51
Increase/(Decrease) in other current liabilities	211.51	102.54	83.97	67.22	(43.92)
(Increase)/Decrease in inventory	(1,167.47)	(976.83)	(51.93)	(602.09)	171.88
(Increase)/Decrease in trade receivables	8.21	(1.42)	(2.55)	5.52	(11.22)
(Increase)/Decrease in loans and advances	30.07	(30.07)	-	-	-
(Increase)/Decrease in other financial assets	(32.86)	(23.60)	(17.61)	51.15	7.14
(Increase)/Decrease in other non-current assets	-	11.72	-	-	(11.72)
(Increase)/Decrease in other assets	(3.87)	(18.19)	(17.14)	2.34	15.85
	(1,057.49)	(580.22)	(50.22)	(550.06)	265.69
Income tax paid	228.40	216.18	171.71	194.52	119.90
Net cash flows from / (used in) operating activities (A)	(152.62)	207.00	581.52	81.13	710.30
B. Cash Flows from Investing Activities					
Purchase of property, plant and equipment	(234.86)	(286.43)	(107.94)	(230.13)	(266.70)
Proceeds from Sale/(Purchase) of investment	100.04	(7.38)	7.49	(7.50)	(100.16)
Proceeds from sale of property, plant and equipment	134.55	2.82	1.43	0.01	12.87
Changes in other bank balances	18.76	29.44	(21.97)	(11.78)	(15.26)
Finance income (including fair value change in financial instruments)	0.75	3.74	5.30	2.65	2.68
Net cash flow from / (used in) investing activities (B)	19.23	(257.82)	(115.70)	(246.76)	(366.57)
C. Cash Flows from Financing Activities					
Issue of Share Capital	789.51	-	-	-	-
Disbursement / (Repayment) of borrowings					
Non-current borrowings	208.72	227.76	-	-	(58.82)
Current borrowings	734.15	176.54	(206.02)	345.87	478.33
Other financial liabilities	11.31	23.47	-	(58.82)	(44.20)
Dividend	(1,315.78)	(141.50)	(119.36)	(100.94)	(96.48)
Unamortized Preliminary Expenses	(2.13)	-	-	-	-
Finance cost	(267.04)	(246.07)	(248.80)	(213.13)	(191.34)
Net cash flow from/(used in) financing activities (C)	158.74	40.19	(574.19)	(27.03)	87.49
Net increase/(decrease) in cash and cash equivalents (A+B+C)	25.35	(10.63)	(108.36)	(192.66)	431.23
Cash and cash equivalents at the beginning of the year	248.05	258.68	367.04	559.70	128.47
Cash and cash equivalents in the statement of cash flows	273.40	248.05	258.68	367.04	559.70
Components of cash and cash equivalents					
Cash on hand	13.79	16.45	19.44	8.75	191.08
Cheques on hand	-	-	0.43	-	0.30
Balance with Banks					
- on current account	259.61	221.60	238.81	308.29	368.32
Fixed deposits with original maturity of less than 3 months	-	10.00	-	50.00	-
Total cash and cash equivalents	273.40	248.05	258.68	367.04	559.70

The above Restated Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Ind AS - 7 on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.

The above statement should be read with the Basis of Preparation and Significant Accounting Policies appearing in Note 2 of Annexure V of Notes to the Restated Financial Information and the Restated Statement of Material Adjustments appearing in Annexure VI.

As per our report of even date
For Shah & Taparia
Chartered Accountants
Firm Registration No: 109463W

For and on behalf of the Board of Directors of
P. N. Gadgil & Sons Limited
CIN: U36911PN2017PLC173262

Ramesh Pipalawa
Partner

Govind Gadgil **Amit Modak** **Aditya Modak** **Purva Mehra**
Chairman and Whole-time Chief Financial Company
Whole-time Director and Officer Secretary
Director Chief Executive

Membership No. 103840
Place: Pune
Date: May 3, 2018

DIN: 00616617
Place: Pune
Date: May 3, 2018

Membership No. 33796

P. N. Gadgil & Sons Limited

ANNEXURE V – NOTES TO RESTATED FINANCIAL INFORMATION

1. Corporate Information

P. N. Gadgil & Sons Limited (the “Company”) is a public limited company incorporated under the provisions of the Companies Act, 2013, as amended. It was originally formed as a partnership firm in the name and style of “P. N. Gadgil & Sons” (the “erstwhile partnership firm”) which was then converted from a partnership firm to a public limited company on November 6, 2017 vide CIN No. U36911PN2017PLC173262. The registered office of the Company is located at Abhiruchi, 59/1C, Wadgaon bk. Sinhagad Road, Pune – 411041.

The Company is engaged in the business of manufacturing and selling jewellery and articles of gold, silver, platinum, precious and semiprecious metals, gems and diamonds.

2.1 Basis of Preparation

The Restated Statement of Assets and Liabilities of the Company as at the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014, the Restated Statement of Profit and Loss and Other Comprehensive Income, the Restated Statement of Changes in Equity and the Restated Statement of Cash flows for the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014 and Other Financial Information (together referred as ‘Restated Financial Information’) have been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 to the extent applicable.

In preparing these Restated Financial Information, the Company has considered April 1, 2016 as the date of transition and the Company has opted to voluntarily present the Restated Financial Information for the period ended March 31, 2015 and 2014. Accordingly, suitable restatement adjustments (both re-measurements and re-classifications) in the accounting heads are made to the financial statements, following accounting policies and accounting policy choices (both mandatory and optional exemptions) consistent with that used at the date of transition to Ind AS. The basis of preparation for specific items where exemptions have been applied is mentioned in Note on First-time adoption of Ind AS.

The financial statements of the erstwhile partnership firm for the period upto November 6, 2017 and for the financial years ended March 31, 2017, March 31, 2016, March 31, 2015, and March 31, 2014, have been revised by the Company to conform to the format prescribed for companies under the Companies Act, 2013 in accordance with Ind AS notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (the “Re-casted Financial Statements”).

These Re-casted Financial Statements have been audited by the statutory auditors of the Company, Shah & Taparia, Chartered Accountants, for the period upto November 6, 2017 and financial years ended March 31, 2017, March 31, 2016, March 31, 2015, and March 31, 2014 ; additionally they are also the first auditors of the newly incorporated Company and have audited the first financial

P. N. Gadgil & Sons Limited**Notes to Restated Financial Information**

(All amounts in Rupees in millions, except per share data and unless stated otherwise)

statements of the Company prepared for the period from November 6, 2017 to March 31, 2018 (collectively, “the Audited Financial Statements”).

These audited financial statements form the basis of preparation of the Restated Financial Information for the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014, to be included in the draft red herring prospectus, red herring prospectus and prospectus (collectively, the “Offer Documents”). All references made to the Company for the period when it was the erstwhile partnership firm are solely for the purpose of the Issue and reference in the Offer Documents.

In the Restated Financial Information:

- there were no change in accounting policies during the years of these financial statements;
- material amounts relating to adjustments for previous years in arriving at profit / loss of the years to which they relate, have been appropriately adjusted;
- adjustments were made for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the financial statements of the Company as at and for the year ended March 31, 2018 prepared under Ind AS and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the “ICDR Regulations”);
- the resultant tax impact on above adjustments has been appropriately adjusted in deferred taxes in the respective years to which they relate.

The Restated Financial Information are presented in Indian Rupees in millions, rounded off to two decimal places, except where otherwise indicated. All references to previous GAAP in the Restated Financial Statements refer to accounting principles applicable to a partnership firm as per the Income Tax Act, 1961 (“Previous GAAP”). Further, previous years’ figures have been reclassified / regrouped wherever necessary.

The Restated Financial Information have been prepared by the Management of the Company in connection with the proposed listing of equity shares of the Company by way of an Initial Public Offering, to be filed by the Company with the Securities and Exchange Board of India (“SEBI”), Registrar of Companies, Pune (“ROC”) and the National Stock Exchange of India Limited and BSE Limited (the “Stock Exchanges”) in accordance with the requirements of:

- a) Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the Companies Act, 2013; and
- b) The ICDR Regulations issued by the SEBI on August 26, 2009, as amended, in pursuance of provisions of Securities and Exchange Board of India Act, 1992 read along with SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 2016 (together referred to as the “SEBI Regulations”).

The Restated Financial Information were approved by the Board of directors of the Company on May 3, 2018.

Significant accounting judgments, estimates and assumptions

P. N. Gadgil & Sons Limited**Notes to Restated Financial Information**

(All amounts in Rupees in millions, except per share data and unless stated otherwise)

The preparation of the Company's Restated Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Restated Financial Information were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments

Taxes

Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans

The cost of defined benefit plans like gratuity and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

2.2 Significant accounting policies

(a) Current versus non-current classification

The Company presents assets and liabilities in the Restated Statement of Assets and Liabilities based on current or non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when it is:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(b) Functional and presentation currency

Items included in the Restated Financial Information of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Restated Financial Information is presented in Indian currency (INR), which is the Company's functional and presentation currency.

(c) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognized.

P. N. Gadgil & Sons Limited

Notes to Restated Financial Information

(All amounts in Rupees in millions, except per share data and unless stated otherwise)

Sale of goods and income from making charges

Revenue from the sale of goods and making charges is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of trade discounts.

Sales tax / Value Added Tax (VAT) or Goods and Service Tax (GST) (as applicable) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue. However, revenue is recorded including excise duty applicable on sale of jewellery.

Interest income

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

Dividends

Revenue is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

(d) Taxes

Taxes comprise current income tax and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized outside profit or loss are recognized outside the Restated Statement of Profit or Loss, either in other comprehensive income or in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

P. N. Gadgil & Sons Limited**Notes to Restated Financial Information**

(All amounts in Rupees in millions, except per share data and unless stated otherwise)

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets (including MAT credit entitlement, if any) are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses if any. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

At each reporting date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become probable that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer probable that sufficient future taxable income will be available against which deferred tax asset can be realized.

Deferred tax relating to items recognized outside profit or loss is recognized either in other comprehensive income or in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales / Value Added Taxes or GST paid on acquisition of assets or on incurring expenses

Expenses and assets are recognized net of the amount of Sales Tax / Value Added Taxes (VAT) or Goods and Service Tax (GST) paid (as applicable), except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

P. N. Gadgil & Sons Limited

Notes to Restated Financial Information

(All amounts in Rupees in millions, except per share data and unless stated otherwise)

(e) Property, plant and equipment

On transition to Ind AS, the Company has elected to continue with the gross carrying value of all of its property plant and equipment recognized as at April 1, 2016, measured as per the previous GAAP, and has recomputed accumulated depreciation as per the requirements of the Companies Act, 2013 and Ind AS 16 “Property, plant, and equipment”.

For the purpose of Restated Financial Information for the financial years ended March 31, 2018, 2017, 2016, 2015, and 2014 the Company has provided depreciation based on the estimated useful life of respective years and as the change in estimated useful life is considered as change in estimate, accordingly there is no impact of this roll back.

Capital work in progress is stated at cost less impairment.

Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, cost of replacing part of the plant and equipment and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

The Company identifies and determines cost of each component / part of the asset separately, if the component / part have a cost which is significant to the total cost of the assets and has useful life that is materially different from that of the remaining asset.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of tangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Depreciation on property, plant and equipment

The Company was a partnership firm till November 6, 2017 and followed the written down value method of depreciation as per provisions of Income-tax Act, 1961. However, on conversion to a public limited Company and for the purpose of the Restated Financial Information, the Company has elected to follow the straight line method (SLM) of depreciation as specified and permitted by the Companies Act, 2013.

P. N. Gadgil & Sons Limited**Notes to Restated Financial Information****(All amounts in Rupees in millions, except per share data and unless stated otherwise)**

Under this method, the estimated useful lives, as specified in Schedule II of the Companies Act, 2013 are as follows:

Block of Asset	Useful Life Considered (SLM)				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Building	30 / 60 Years	30 / 60 Years	30 / 60 Years	30 / 60 Years	30 / 60 Years
Office Equipment	5 Years	5 Years	5 Years	5 Years	5 Years
Furniture and Fixtures	10 Years	10 Years	10 Years	10 Years	10 Years
Electrical Installations	10 Years	10 Years	10 Years	10 Years	10 Years
Vehicles	8 / 10 Years	8 / 10 Years	8 / 10 Years	8 / 10 Years	8 / 10 Years
Computers	3 / 6 Years	3 / 6 Years	3 / 6 Years	3 / 6 Years	3 / 6 Years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate.

(f) Intangible assets

On transition to Ind AS, the Company has elected to continue with the gross carrying value of all of its intangible assets recognized as at April 1, 2016, measured as per the previous GAAP, and has recomputed accumulated amortization as per the requirements of the Companies Act, 2013 and Ind AS 38 “Intangible Assets”.

For the purpose of the Restated Financial Information for the financial year ended March 31, 2018, 2017, 2016, 2015 and 2014, the Company has provided the amortisation based on the estimated useful life of respective years and as the change in estimated useful life is considered as change in estimate, accordingly there is no impact of this roll back.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Amortization of intangibles

The useful lives of intangible assets are assessed as 10 years, and the same shall be amortized on a straight-line basis over its useful life.

P. N. Gadgil & Sons Limited

Notes to Restated Financial Information

(All amounts in Rupees in millions, except per share data and unless stated otherwise)

(g) Investment Properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

(h) Borrowing costs

Borrowing cost includes interest and ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing cost directly attributable to the acquisition, construction or production of an assets that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset until such time that the assets are substantially ready for their intended use. All other borrowing costs are expensed in the period they occur.

Borrowing cost is calculated as per the Effective Interests Rate (EIR) method. It is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial liability or a shorter period, where appropriate, to the amortized cost of a financial liability after considering all the contractual terms of the financial instrument.

(i) Share based payments

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments Reserve.

(j) Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

P. N. Gadgil & Sons Limited**Notes to Restated Financial Information**

(All amounts in Rupees in millions, except per share data and unless stated otherwise)

Where the Company is the lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are classified as operating lease.

Contingent rentals are recognized as expenses in the periods in which they are incurred.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term unless either:

- (a) another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis, or
- (b) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases; if payments to the lessor vary because of factors other than general inflation, then this condition is not met.

(k) Inventories

Inventory is valued at lower of cost and net realizable value. Inventory of the Company includes stock physically present at its stores and held with goldsmiths and excludes customers' stock in the custody of the Company.

Cost of inventories comprises all costs of purchase and, other duties and taxes (other than those subsequently recoverable from tax authorities), costs of conversion and all other costs incurred in bringing the inventory to their present location and condition. Cost is determined on weighted average basis. Initial cost of inventories includes the gains and losses on forward contracts entered into for covering the price fluctuation exposure in respect of the purchases of the underlying assets.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(l) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

P. N. Gadgil & Sons Limited**Notes to Restated Financial Information****(All amounts in Rupees in millions, except per share data and unless stated otherwise)**

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(m) Provisions, Contingent liabilities and Contingent assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Provisions are reviewed at each reporting date and adjusted to reflect the current best management estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company, or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured

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(All amounts in Rupees in millions, except per share data and unless stated otherwise)

reliably. The Company does not recognize a contingent liability but discloses its existence in the Restated Financial Information.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the Restated Financial Information. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the Restated Financial Information of the period in which the change occurs. If an inflow of economic benefits has become probable, an entity discloses the contingent asset.

(n) Retirement and other employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are the amounts expected to be paid when the liabilities are settled. Short term employee benefits are recognized in Restated Statement of Profit and Loss in the period in which the related service is rendered. The liabilities are presented as current liability in the Restated Statement of Assets and Liabilities.

Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined contribution plans such as provident fund and
- (b) defined benefit plans such as gratuity

- *Defined contribution plans - Provident fund*

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the year end date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the year end date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

- *Defined benefit plans – Gratuity obligations*

Retirement benefit in the form of gratuity is a defined benefit scheme. Gratuity liability of employees is accounted for on the basis of actuarial valuation on projected unit credit method at the close of the year.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability, are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

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(All amounts in Rupees in millions, except per share data and unless stated otherwise)

Net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.
- *Other employee benefit obligations*

The Company presents the entire balance of accumulated leaves as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

(o) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial assets*Initial recognition and measurement*

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in the following categories:

- Debt instruments at amortized cost
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)
- *Debt instruments at amortized cost*

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account

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Notes to Restated Financial Information

(All amounts in Rupees in millions, except per share data and unless stated otherwise)

any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Restated Statement of Profit and Loss. The losses arising from impairment are recognized in the profit or loss.

- *Debt instrument at FVTPL*

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as at FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as ‘accounting mismatch’).

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

- *Equity investments*

All equity investments in scope of Ind AS 109 “Financial Instruments” are measured at fair value. The Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value in case of equity investments which are not held for trading. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Reclassification

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company’s management determines change in the business model as a result of external or internal changes which are significant to the Company’s operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

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De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

ii. Financial liabilities*Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and loans and borrowings.

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Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains / losses attributable to changes in own credit risk is recognized in OCI. These gains / losses are not subsequently transferred to Profit & Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit and loss.

- *Loans and borrowings*

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

iii. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(p) Fair value measurement

The Company measures financial instruments, such as, investments in mutual funds and equity shares at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Restated Financial Information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - This hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, exchange traded funds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing Net Assets Value (NAV). NAV represents the price at which the issuer will issue further units and will redeem such units of mutual fund to and from the investors.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between levels 1 and 2 during the period. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy level as at the end of reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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Notes to Restated Financial Information

(All amounts in Rupees in millions, except per share data and unless stated otherwise)

(q) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(r) Measurement of EBITDA

The Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit / (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

(s) Earnings per share

Basic EPS is calculated by dividing the profit for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(t) Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 was notified by the Ministry of Corporate Affairs (MCA) on March 28, 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS.

The Company is engaged in the business of manufacturing and selling jewellery in India. The Company is in the process of assessing the impact of implementation of Ind AS 115 on its financial statements.

3 PROPERTY, PLANT AND EQUIPMENT

	(Rs. in millions)							
Particulars	Freehold Land	Buildings	Furniture and Fixtures	Office Equipments	Electrical Installations	Computers	Vehicles	Total
GROSS BLOCK								
As at April 1, 2013	-	-	58.45	27.89	16.89	6.07	4.10	113.39
Additions during the year	33.74	110.78	59.84	23.76	15.25	3.70	6.62	253.69
Disposals during the year	-	-	-	-	-	-	-	-
As at March 31, 2014	33.74	110.78	118.29	51.65	32.14	9.77	10.72	367.08
Additions during the year	-	-	28.87	11.64	8.71	3.27	6.26	58.75
Disposals during the year	-	-	-	-	-	(0.03)	-	(0.03)
As at March 31, 2015	33.74	110.78	147.16	63.29	40.85	13.01	16.98	425.81
Additions during the year	-	191.81	47.16	22.00	5.27	3.84	4.80	274.89
Disposals during the year	-	-	(1.39)	-	-	-	(0.11)	(1.50)
As at March 31, 2016	33.74	302.59	192.94	85.28	46.12	16.86	21.67	699.20
Additions during the year	107.62	63.06	78.25	18.60	7.16	2.70	6.07	283.45
Disposals during the year	-	-	-	(0.11)	-	(0.03)	(4.59)	(4.72)
As at March 31, 2017	141.36	365.65	271.19	103.77	53.28	19.53	23.16	977.93
Additions during the year	1.43	37.97	109.23	37.61	26.52	9.43	14.23	236.42
Disposals during the year	-	(131.74)	-	(2.12)	-	(0.43)	(6.77)	(141.06)
Less: Land classified as Investment Property (Refer Note 5)	(33.74)	-	-	-	-	-	-	(33.74)
As at March 31, 2018	109.05	271.88	380.42	139.26	79.80	28.53	30.62	1,039.55

(Rs. in millions)

Particulars	Freehold Land	Buildings	Furniture and Fixtures	Office Equipments	Electrical Installations	Computers	Vehicles	Total
ACCUMULATED DEPRECIATION								
As at April 1, 2013	-	-	4.41	3.07	1.86	3.00	0.56	12.90
Depreciation written back	-	-	(2.03)	(0.18)	(1.22)	(1.76)	(0.22)	(5.41)
Depreciation charge for the year	-	1.75	8.19	7.71	2.31	2.52	0.92	23.41
Depreciation on disposals	-	-	-	-	-	-	-	-
As at March 31, 2014	-	1.75	10.58	10.59	2.95	3.76	1.25	30.90
Depreciation charge for the year	-	1.75	12.47	11.09	3.41	3.66	1.74	34.13
Depreciation on disposals	-	-	-	-	-	(0.01)	-	(0.01)
As at March 31, 2015	-	3.51	23.05	21.68	6.36	7.41	3.00	65.01
Depreciation charge for the year	-	3.12	15.91	14.37	4.09	3.34	2.35	43.18
Depreciation on disposals	-	-	-	-	-	-	(0.03)	(0.03)
As at March 31, 2016	-	6.63	38.96	36.05	10.45	10.75	5.32	108.16
Depreciation charge for the year	-	4.93	20.38	17.44	4.67	2.84	2.60	52.86
Depreciation on disposals	-	-	-	(0.05)	-	(0.02)	(2.19)	(2.26)
As at March 31, 2017	-	11.56	59.34	53.44	15.12	13.57	5.73	158.76
Depreciation charge for the year	-	3.80	29.84	19.36	5.91	3.61	2.67	65.20
Depreciation on disposals	-	(7.50)	-	(1.70)	-	(0.26)	(3.24)	(12.69)
As at March 31, 2018	-	7.87	89.18	71.10	21.03	16.93	5.16	211.26
NET BOOK VALUE								
As at March 31, 2014	33.74	109.02	107.72	41.06	29.18	6.01	9.47	336.19
As at March 31, 2015	33.74	107.27	124.12	41.60	34.49	5.60	13.98	360.80
As at March 31, 2016	33.74	295.96	153.98	49.23	35.67	6.11	16.36	591.04
As at March 31, 2017	141.36	354.08	211.85	50.33	38.16	5.96	17.43	819.17
As at March 31, 2018	109.05	264.01	291.24	68.16	58.78	11.61	25.46	828.29

NET BOOK VALUE	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Plant, Property and Equipment	828.29	819.17	591.04	360.80	336.19
Capital work in progress*	-	2.81	1.41	170.85	-

*Capital Work in Progress consists of costs incurred for shops under construction

Certain property, plant and equipment are pledged as collateral against borrowings, the details related to which have been described in footnote to note 15 on 'Borrowings'.

4 INTANGIBLE ASSETS

	(Rs. in millions)	
Particulars	Computer Software	Total
GROSS BLOCK		
As at April 1, 2013	0.75	0.75
Additions during the year	0.45	0.45
Disposals during the year	-	-
As at March 31, 2014	1.20	1.20
Additions during the year	0.53	0.53
Disposals during the year	-	-
As at March 31, 2015	1.72	1.72
Additions during the year	2.49	2.49
Disposals during the year	-	-
As at March 31, 2016	4.21	4.21
Additions during the year	0.17	0.17
Disposals during the year	-	-
As at March 31, 2017	4.38	4.38
Additions during the year	1.25	1.25
Disposals during the year	-	-
As at March 31, 2018	5.63	5.63
AMORTISATION		
As at April 1, 2013	0.18	0.18
Amortization written back	(0.12)	(0.12)
Amortization for the year	0.10	0.10
As at 31 March 2014	0.16	0.16
Amortization for the year	0.14	0.14
As at 31 March 2015	0.30	0.30
Amortization for the year	0.24	0.24
As at 31 March 2016	0.54	0.54
Amortization for the year	0.41	0.41
As at 31 March 2017	0.94	0.94
Amortization for the year	0.53	0.53
As at 31 March 2018	1.47	1.47
Net book value		
As at 31 March 2014	1.04	1.04
As at 31 March 2015	1.43	1.43
As at 31 March 2016	3.67	3.67
As at 31 March 2017	3.43	3.43
As at 31 March 2018	4.16	4.16

(Rs. in millions)					
Particulars	As at March 31,2018	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
Opening carrying amount	-	-	-	-	-
Transfer from freehold land (at cost)	33.74	-	-	-	-
Disposals	-	-	-	-	-
Closing carrying amount (Refer Note 34)	33.74	-	-	-	-

6 FINANCIAL ASSETS

Particulars	As at March 31,2018		As at March 31,2017		As at March 31,2016		As at March 31,2015		As at March 31,2014	
	No. of shares/units	Rs. in millions	No. of shares/units	Rs. in millions	No. of shares/units	Rs. in millions	No. of shares/units	Rs. in millions	No. of shares/units	Rs. in millions
i) Investments										
Unquoted equity shares at fair value through Profit and Loss										
Shamrao Vitthal Co-operative Bank (100 Equity shares of Rs.25 each, fully paid up)	100	0.00	100	0.00	100	0.00	100	0.00	100	0.00
The Vishweshwar Sahakari Bank (100 Equity shares of 50 each, fully paid up)	100	0.01	100	0.01	100	0.01	100	0.01	-	-
Unquoted preference shares at fair value through Profit and Loss										
Shamrao Vitthal Co-operative Bank (750,500 Preference shares of 10 each, fully paid up)	7,50,500	7.51	7,50,500	7.51	7,50,500	7.51	7,50,500	7.51	-	-
Quoted Mutual Funds at fair value through Profit and Loss										
- Indiabulls Liquid Fund-Direct Plan Growth	-	-	-	-	-	-	36,781	50.07	40,121	50.08
- L&T Liquid Fund	-	-	-	-	40,838	50.05	-	-	-	-
- Peerless Equity Fund	-	-	55,871	100.04	28,26,591	36.64	-	-	-	-
- Peerless Midcap Fund	-	-	-	-	5,01,250	4.95	-	-	-	-
- Taurus Mutual Fund	-	-	-	-	-	-	-	-	36,091	50.08
- Indiabulls Monthly Income Plans	-	-	-	-	1,00,000	1.02	-	-	-	-
Total Investments	7,50,700	7.51	8,06,571	107.55	42,19,379	100.17	8,20,075	107.66	76,311	100.16
Current		-		100.04		92.66		100.15		100.16
Non-current		7.51		7.51		7.51		7.51		0.00
Aggregate cost of quoted investments		-		100.00		92.33		100.00		100.00
Aggregate market value of quoted investments		-		100.04		92.66		100.15		100.16
Aggregate cost of unquoted investments		7.51		7.51		7.51		7.51		0.00
Aggregate amount of impairment in value of investments		-		-		-		-		-

0.00 denotes amounts below the rounding off convention

6 FINANCIAL ASSETS

	(Rs. in millions)				
Particulars	As at March 31,2018	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
ii) Loans given (Unsecured, considered good unless otherwise stated)					
Loan to others at amortized cost	-	30.07	-	-	-
Staff advances	3.35	2.34	2.23	3.02	2.41
Total Loans	-	30.07	-	-	-
Current	-	30.07	-	-	-
Non - Current	-	-	-	-	-
iii) Other financial assets					
Non - Current					
Fixed Deposits with maturity of more than 12 months at balance sheet date	1.00	1.67	0.67	4.50	24.50
Security deposits					
- related parties (Refer Note 36)	18.45	-	-	-	-
- others	33.01	46.19	45.15	38.86	34.69
Total Non-current Other Financial Assets	52.46	47.86	45.81	43.36	59.19
Advance to creditors	68.30	36.08	15.88	18.68	6.44
Margin money deposit					
- to others	10.64	10.00	7.78	0.10	-
- to related parties (Refer Note 36)	-	-	-	-	10.00
Security Deposit	1.20	-	-	-	-
Receivables from related parties (Refer Note 36)	-	-	3.31	0.30	-
Other receivables	7.95	13.66	11.27	3.83	41.00
Total Current Other Financial Assets	88.09	59.83	38.27	23.12	58.44
Total Other Financial Assets	140.55	107.69	84.09	66.48	117.63

7 OTHER NON CURRENT ASSETS

	(Rs. in millions)				
Particulars	As at March 31,2018	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
Balance receivable from statutory authorities	-	-	11.72	11.72	11.72
Total Other Non Current Assets	-	-	11.72	11.72	11.72

8 INVENTORIES

	(Rs. in millions)				
Particulars	As at March 31,2018	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
Finished Goods*	3,819.99	2,652.52	1,675.69	1,623.76	1,021.67
Total Inventories	3,819.99	2,652.52	1,675.69	1,623.76	1,021.67

*valued at lower of cost and net realisable value

9 TRADE RECEIVABLES

	(Rs. in millions)				
Particulars	As at March 31,2018	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
Trade Receivables*					
- Unsecured, considered good	24.39	24.61	23.19	20.64	26.16
Less: Provision for bad & doubtful debts	(7.99)	-	-	-	-
Total Trade Receivables	16.40	24.61	23.19	20.64	26.16

*No trade receivables are due from directors or other officers of the company, either severally or jointly with any other person. Details of trade receivables outstanding for a period exceeding six months from their due date, are not available with the Company due to limitations in the ERP System considering the nature and size of business operations.

10 CASH AND CASH EQUIVALENTS

	(Rs. in millions)				
Particulars	As at March 31,2018	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
Balances with banks					
- on current accounts	259.61	221.60	238.81	308.29	368.32
Cheques in hand	-	-	0.43	-	0.30
Cash in hand	13.79	16.45	19.44	8.75	191.08
Fixed deposits with original maturity of less than 3 months	-	10.00	-	50.00	-
Total Cash and Cash Equivalents	273.40	248.05	258.68	367.04	559.70

11 OTHER BANK BALANCES

	(Rs. in millions)				
Particulars	As at March 31,2018	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
Fixed deposits with original maturity of more than 3 months but less than 12 months	0.67	19.50	47.00	26.03	15.00
- Accrued interest	0.14	0.07	2.01	1.00	0.26
Total Other Bank Balances	0.81	19.57	49.01	27.04	15.26

12 OTHER CURRENT ASSETS

	(Rs. in millions)				
Particulars	As at March 31,2018	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
Prepaid expenses	23.23	13.26	8.58	6.71	9.10
Balance receivable from statutory authorities	23.38	29.49	1.64	0.71	0.66
Advance Tax (net of provision for income tax)	-	-	14.34	-	-
Total Other current assets	46.61	42.74	24.56	7.42	9.76

13 SHARE CAPITAL

	(Rs. in millions)				
Particulars	As at March 31,2018	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
Authorized share capital					
60,000,000 Equity shares of Rs 10 each (March 31, 2017, 2016, 2015, 2014 : 21,000,000 Equity Shares of Rs 10 each)	600.00	210.00	210.00	210.00	210.00

Issued, subscribed and fully paid up

20,262,339 equity shares of Rs. 10 each (March 31, 2017, 2016, 2015, 2014 : 18,006,600 Equity Shares of Rs 10 each)	202.62	180.07	180.07	180.07	180.07
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a. Reconciliation of number of shares

Authorized share capital

Opening balance	210.00	210.00	210.00	210.00	210.00
Increase during the period	390.00	-	-	-	-
Closing balance	600.00	210.00	210.00	210.00	210.00

During the year ended March 31, 2018 the authorised share capital of the Company was increased by Rs 39,00,00,000 i.e. 3,90,00,000 equity shares of Rs 10 each.

Issued, subscribed and fully paid up

Opening balance	180.07	180.07	180.07	180.07	180.07
Increase during the period					
- Rights Issue					
20,00,739 equity shares of Rs 10 each	20.01	-	-	-	-
- Private Placement					
2,55,000 equity shares of Rs 10 each	2.55	-	-	-	-
Closing balance	202.62	180.07	180.07	180.07	180.07

Rights Issue

An issue of 20,00,739 equity shares of Rs 10 each, was made by way of allotment for cash at a premium of Rs 340 per share on rights basis, in the ratio of 1 equity share for every 9 fully paid up equity shares held by existing shareholders of the Company as on February 3, 2018. All shareholders of the Company as at February 3, 2018 exercised their right and allotment was made by converting existing liability to equity in the case of the Promoters of the Company, and by way of cash with respect to the other shareholders.

Private Placement on Preferential Basis

The Company offered, issued and allotted 255,000 equity shares of Rs 10 each at a premium of Rs. 340 per share, for cash, through private placement on a preferential basis to the proposed allottees by passing a special resolution on March 7, 2018 in an extraordinary general meeting. Such equity shares are allotted pari passu with the existing equity shares of the Company.

b. Terms and rights attached to equity shares

The company has only one class of equity shares having face value of Rs.10 per share . Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company , the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shareholders holding more than 5% share in the Company (No. of shares)

Particulars	As at March 31,2018	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
Govind Gadgil	1,11,11,112	1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000
Renu Gadgil	88,88,889	80,00,000	80,00,000	80,00,000	80,00,000

d. Details of shareholders holding more than 5% share in the Company (% shareholding)

Particulars	As at March 31,2018	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
Govind Gadgil	54.84%	55.53%	55.53%	55.53%	55.53%
Renu Gadgil	43.87%	44.43%	44.43%	44.43%	44.43%

14 OTHER EQUITY

Particulars	(Rs. in millions)				
	As at March 31,2018	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
i. Retained earnings					
Opening balance	1,000.76	660.00	427.31	140.72	-
Profit for the period	575.58	482.42	351.68	388.47	236.97
Other Comprehensive Income	1.05	(0.16)	0.38	(0.94)	0.23
Less :					
Unamortized Preliminary Expenses	(2.13)	-	-	-	-
Dividend distributed (Refer Note 44 and 45)	(1,315.78)	(141.50)	(119.36)	(100.94)	(96.48)
Transfer to Inventory Price Risk Reserve	(30.00)	-	-	-	-
Transfer to General Reserve	(26.10)	-	-	-	-
Closing balance	203.37	1,000.76	660.00	427.31	140.72
ii. Other Reserves					
General Reserve					
Opening balance	-	-	-	-	-
Transfer during the period	26.10	-	-	-	-
Closing balance	26.10	-	-	-	-
Securities Premium					
Opening balance	-	-	-	-	-
Increase due to issuance of shares during the period					
- Rights Issue					
20,00,739 equity shares at Rs 340 per share	680.25	-	-	-	-
- Private Placement					
2,55,000 equity shares at Rs 340 per share	86.70	-	-	-	-
Closing balance	766.95	-	-	-	-
Inventory Price Risk Reserve					
Opening balance	-	-	-	-	-
Transfer during the period	30.00	-	-	-	-
Closing balance	30.00	-	-	-	-
Total Other Equity	1,026.42	1,000.76	660.00	427.31	140.72

Inventory Price Risk Reserve

A reserve to the extent of 5% of the Company's inventory value will be created in tranches upto March 31, 2021, to protect the Company from fluctuations in gold, silver and precious metal prices. The targeted 5% reserve of the Company's inventory valuation will be first achieved by the end of financial year 2020-2021 as at March 31, 2021. Such reserve balance will be invested in liquid financial assets by the end of nine months from each balance sheet date i.e. on December 31 of the subsequent financial year. Returns from investments in such financial assets would be easily liquidated to be used in times when fluctuation in commodity prices is abnormal and will ease the working capital requirements of the Company. Returns from earmarked investments in financial assets in the form of growth or interest or dividend, will be set aside upto 60% and be accumulated in the 'Inventory Price Risk Reserve' balance itself. The remaining 40% returns will be accounted for in the Statement of Profit and Loss of the Company.

In the current financial period, the Company has transferred Rs 30,000,000 to such reserve.

15 BORROWINGS

	(Rs. in millions)				
Particulars	As at March 31,2018	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
FINANCIAL LIABILITIES					
NON CURRENT					
Term Loans					
Secured					
- from banks	471.26	251.23	-	-	58.82
Less: current maturities of long term borrowings	(34.78)	(23.47)	-	-	(58.82)
Total Long Term Borrowings	436.48	227.76	-	-	-
CURRENT					
Other Loans					
Secured					
- demand loans from banks	1,602.87	653.33	312.41	392.80	-
- cash credit from banks	516.99	230.12	339.58	460.38	676.98
Unsecured					
- from others	8.85	269.13	227.02	168.27	84.37
- from promoters	244.71	471.45	569.68	638.17	557.74
- from related parties (Refer Note 36)	-	15.24	14.04	9.14	3.80
Total Short Term Borrowings	2,373.42	1,639.27	1,462.73	1,668.76	1,322.89
OTHER FINANCIAL LIABILITIES					
Current maturities of long term borrowings	34.78	23.47	-	-	58.82
Total Other Financial Liabilities	34.78	23.47	-	-	58.82

P. N. Gadgil & Sons Limited
Annexure V Notes to Restated Financial Statements

Footnote to Note 15 "Borrowings"

(Rs. in millions)

Sr. No.	Name of Lender	Type of Facility	Amount outstanding as at March 31, 2018	Rate of Interest (%)	Repayment Terms	Security Provided
SECURED LOANS						
1	The Federal Bank Limited	Over Draft (With Diminishing Balance)	143.86	0.40 % over one year MCLR*	5 Years	<u>Primary Security</u> 1. Hypothecation of credit card receivables of at least 1.10 times of monthly obligations to term loan <u>Collateral Security</u> 1. 10% cash margins <u>Personal Guarantee</u> 1. Mr. Govind Gadgil 2. Mrs. Renu Gadgil
2	The Shamrao Vitthal Co-operative Bank	Term Loan	219.45	7.90 % below PLR**	Repayable in 84 equated monthly installment	<u>Primary Security</u> 1. Charge on Aundh shop 2. Charge on Chinchwad Shop <u>Personal Guarantee</u> 1. Mr. Govind Gadgil 2. Mrs. Renu Gadgil
3	HDFC Bank Limited	Term Loan	251.80	0.40 % over one year MCLR*	2 years with 6 month Moratorium period	<u>Primary Security</u> 1. Negative Lien on shop no 2, upper ground floor, E-building ,star zone apartment ,Devlali , Nashik - 422401 <u>Personal guarantee</u> 1. Mr. Govind Gadgil 2. Mrs. Renu Gadgil
4	The Federal Bank Limited	Over Draft	100.00	7.65% p.a	3 Years	<u>Collateral Security</u> 1. 110 % coverage by way of FD in the name of Mr. Govind Gadgil , Director of the company <u>Personal Guarantee</u> 1. Mr. Govind Gadgil 2. Mrs. Renu Gadgil
5	The Federal Bank Limited	Working Capital Demand Loan (WCDL) and Cash credit (Interchangeable)	100.61	0.40 % over one year MCLR*	Repayable in 12 months whereas maximum tenor permitted for 1 tranche of WCDL is 180 days	<u>Primary Security</u> 1. First pari passu charge with existing working capital lenders on entire current assets (both present and future) of head office and branches <u>Collateral Security</u> 1. 10% cash margin <u>Personal Guarantee</u> 1. Mr. Govind Gadgil 2. Mrs. Renu Gadgil
6	YES Bank Limited	Working Capital Demand Loan	301.96	Interest to be decided at the time of disbursement	Repayable in 12 months	<u>Primary Security</u> 1. First pari passu charge on gold and diamond stock 2. Exclusive charge on commercial store located at Satara Road, Pune <u>Personal guarantee</u> Mr. Govind Gadgil

P. N. Gadgil & Sons Limited
Annexure V Notes to Restated Financial Statements

Footnote to Note 15 "Borrowings"

(Rs. in millions)

Sr. No.	Name of Lender	Type of Facility	Amount outstanding as at March 31, 2018	Rate of Interest (%)	Repayment Terms	Security Provided
7	HDFC Bank Limited	Working Capital Demand Loan (Interchangeable)	603.92	10.40%	Repayable within - minimum 15 Days - maximum 180 days	Primary Security 1. First pari passu charge on gold inventory 2. Exclusive charge on commercial shop located at Mudra, Satara Road, Pune
		Cash Credit (Interchangeable)	-	(Base Rate + 130 bps)	Repayable on demand	Personal guarantee 1. Mr. Govind Gadgil 2. Mrs. Renu Gadgil
8	The Shamrao Vitthal Co-operative Bank	Working Capital Demand Loan	352.53	9.00% below PLR**	Rolled over every 12 months	Primary Security 1. Hypothecation of gold and diamond stock Collateral Security 1. Residential bungalow of Mr. Govind Gadgil Personal guarantee 1. Mr. Govind Gadgil 2. Mrs. Renu Gadgil
9	The Shamrao Vitthal Co-operative Bank	Cash Credit	368.12	8.50 % below PLR**	Repayable on demand and is subject to annual renewal	Primary Security 1. Hypothecation of gold and diamond stock Collateral Security 1. Residential bungalow of Mr. Govind Gadgil situated at 576, Shaniwar Peth, Pune Personal guarantee 1. Mr. Govind Gadgil 2. Mrs. Renu Gadgil
10	Bank of Baroda	Cash Credit	148.86	1.6% over MCLR* + 0.25% Strategic Risk Premium	Repayable on demand and is subject to annual renewal	Primary Security 1. First pari passu charge on gold inventory 2. 10% cash margin on stand by letter of credit (SBLC) as and when issued Collateral Security 1. Charge on shops at Satara Road, Pune . 2. Lien on fixed deposits Personal guarantee 1. Mr. Govind Gadgil 2. Mrs. Renu Gadgil
11	Kotak Mahindra Bank	Gold Metal Loan	-	Gold Libor + Margin As decided by bank's treasury	On due date (latest 24 hours prior to due date)	Primary Security 1. Stand by later of credit in favour of the bank for 108% , issued by Bank of Baroda .
UNSECURED LOANS						
1	From Promoters	Unsecured Loan	244.71	8.00%	Repayable on demand	NA

*MCLR - Marginal Cost of funds based Lending Rate

**PLR - Prime Lending Rate

16 PROVISIONS

	(Rs. in millions)				
Particulars	As at March 31,2018	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
Non-Current					
- Gratuity	18.71	16.82	13.02	10.35	6.57
Total Long Term Provisions	18.71	16.82	13.02	10.35	6.57
Current					
- Gratuity	2.86	1.23	0.95	0.86	0.66
- Leave Encashment*	-	-	-	0.74	1.69
Total Short Term Provisions	2.86	1.23	0.95	1.59	2.35

* The Company had a leave encashment policy only for the year ended March 31, 2014 and accordingly no additional provision has been made in any other year.

17 DEFERRED TAX LIABILITIES (NET)

(a) Income tax expense

	(Rs. in millions)				
Particulars	As at March 31,2018	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
In Restated Statement of Profit and Loss :					
Current income tax:					
Current income tax charge	228.40	216.18	171.71	194.52	119.90
Deferred tax:					
differences	1.95	8.38	(7.47)	(0.62)	0.67
Income tax expense reported in the Restated Statement of Profit and Loss	230.35	224.56	164.24	193.90	120.57
In Restated Other Comprehensive Income (OCI) :					
Deferred tax related to items recognised in Restated OCI during the year:					
Net loss/(gain) on actuarial gains and losses	0.45	(0.09)	0.20	(0.48)	0.12
Income tax charged to OCI	0.45	(0.09)	0.20	(0.48)	0.12

(b) Net Deferred tax (liabilities)/assets:

The balance comprises temporary differences attributable to:

	(Rs. in millions)				
Particulars	As at March 31,2018	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
Property, plant and equipment	23.67	21.18	15.56	8.50	6.21
Current Investments	-	0.01	0.06	0.03	0.03
Revaluation of inventory using weighted average method	-	-	-	12.84	5.20
Deferred Tax Liability	23.67	21.19	15.62	21.37	11.44
Bonus	-	-	(3.81)	(3.06)	-
Gratuity	(6.45)	(6.25)	(4.84)	(3.81)	(2.46)
Duties and Taxes Disallowed	-	-	(0.08)	-	-
Leave Compensation	-	-	-	(0.25)	(0.57)
Previous disallowances allowed on payment basis	(14.12)	(14.24)	(14.49)	(14.57)	(7.63)
Deferred Tax Asset	(20.57)	(20.48)	(23.21)	(21.69)	(10.66)
Deferred Tax Liabilities (net)	3.10	0.70	(7.60)	(0.32)	0.78

(c) Reconciliation of deferred tax liabilities (net):

	(Rs. in millions)				
Particulars	As at March 31,2018	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
Opening Balance	0.70	(7.60)	(0.32)	0.78	-
Tax (income)/expense during the period recognised in Restated Statement of Profit and Loss	1.95	8.38	(7.47)	(0.62)	0.67
Tax (income)/expense during the period recognised in Restated OCI	0.45	(0.09)	0.20	(0.48)	0.12
Closing balance	3.10	0.70	(7.60)	(0.32)	0.78

(d) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

Particulars	(Rs. in millions)				
	As at March 31,2018	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
Accounting Profit before tax from continuing operations	805.93	706.98	515.92	582.37	357.54
Statutory Tax rate (%)*		34.61%	34.61%	33.99%	33.99%
Tax at statutory tax rate	264.22	244.67	178.55	197.95	121.53
Adjustment in respect of capital gains	(0.08)	(1.37)	-	-	-
Exempt income	-	(1.38)	-	-	-
Donation	0.74	0.75	0.72	0.65	0.96
Other expense inadmissible as per Income Tax	3.92	0.68	0.22	3.87	2.34
Provision for interest on schemes	(10.33)	1.33	0.81	7.68	11.70
Revaluation of inventory	-	-	13.08	(7.64)	(5.20)
Depreciation	(8.64)	(5.62)	(6.91)	(2.29)	(6.21)
Provision for Leave encashment	-	-	(0.26)	(0.32)	0.57
Provision for Gratuity	1.48	1.33	1.16	0.87	2.57
Revaluation of FVTOCI investments to fair value	0.01	0.10	(0.06)	0.00	(0.05)
Expenses disallowed u/s 43B of Income Tax Act, 1961	1.27	(0.26)	0.78	3.58	-
Other admissible for partnership firm/company	(24.19)	(24.05)	(16.38)	(9.83)	(8.31)
At the effective income tax rate	228.40	216.18	171.71	194.52	119.90

*Tax Rate for the year ended March 31, 2018 comprise of two different tax rates i.e. 34.608% for the erstwhile partnership firm and 29.613% for the Company, post conversion.

18 TRADE PAYABLES

Particulars	(Rs. in millions)				
	As at March 31,2018	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
Trade payables*	313.94	367.29	85.89	89.08	181.61
Total Trade Payables	313.94	367.29	85.89	89.08	181.61

* Refer Note 43 on Outstanding dues to micro, small and medium enterprises under the Micro, Small and Medium Enterprises Development Act (MSMED), 2006.

19 PROVISION FOR INCOME TAX (NET OF ADVANCE TAX)

Particulars	(Rs. in millions)				
	As at March 31,2018	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
Provision for Income Tax	228.40	216.18	-	194.52	119.90
Less : TDS Receivable	0.11	1.03	-	0.71	-
Less : Advance Tax	211.40	145.00	-	150.00	91.39
Total Provision for Income Tax (net of advance tax)	16.89	70.15	-	43.81	28.51

20 OTHER CURRENT LIABILITIES

Particulars	(Rs. in millions)				
	As at March 31,2018	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
Salary payable	0.49	0.38	0.29	0.18	0.05
Bonus and incentives payable	27.42	10.50	11.00	9.00	7.30
Statutory dues payable	13.80	17.09	11.11	9.20	15.21
Advances from related parties (Refer Note 36)	-	-	-	-	2.89
Advances from customers	178.36	182.75	137.08	119.60	100.74
Payable for gift coupons	6.98	8.71	6.18	3.88	2.86
Payable against schemes	437.78	239.53	191.02	141.82	109.82
Outstanding expenses	70.86	71.73	71.49	60.52	38.09
Other payables	6.53	-	-	-	-
Total Other Current Liabilities	742.22	530.71	428.17	344.19	276.97

21 REVENUE FROM OPERATIONS

Particulars	(Rs. in millions)				
	For the year ended March 31, 2018	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
Sale of jewellery					
Gold	15,121.06	12,966.95	14,386.09	12,845.73	10,050.10
Silver and others	777.80	696.93	818.89	781.15	690.89
Diamond	588.64	362.63	9.69	-	-
Platinum	13.83	8.91	0.10	-	-
Making charges	1,987.22	1,512.33	1,392.44	1,247.52	912.49
Total Sales	18,488.55	15,547.76	16,607.21	14,874.40	11,653.48
Less: Discount	121.03	87.65	67.27	54.08	61.57
Net Sales	18,367.52	15,460.10	16,539.94	14,820.32	11,591.90

22 OTHER INCOME

Particulars	(Rs. in millions)				
	For the year ended March 31, 2018	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
Interest Income					
- on deposits with banks	0.75	3.74	5.30	2.65	2.68
- on security deposits	-	1.46	1.35	1.24	1.67
- on others	3.45	0.86	1.30	0.64	0.32
Other Non Operating Income					
Commission income	-	8.25	4.50	4.26	10.00
Profit on sale of investments	0.40	15.66	15.39	0.33	-
Profit on sale of Assets	7.21	-	-	-	-
Depreciation written back	-	-	-	-	5.53
Other Income*	4.56	5.01	1.15	4.42	0.33
Total Other Income	16.37	34.98	29.00	13.52	20.54

*Other Income includes dividend, fair value gain on Mutual Funds classified at FVTPL, excess provisions written back and other miscellaneous income.

23 COST OF GOODS SOLD

	(Rs. in millions)				
Particulars	For the year ended March 31, 2018	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
Inventory at the beginning of the year	2,652.52	1,675.69	1,623.76	1,021.67	1,193.56
Add : Purchases (including conversion costs)	17,532.09	14,706.86	15,182.17	14,047.82	10,418.16
	20,184.61	16,382.55	16,805.93	15,069.49	11,611.72
Less : Inventory at the end of the year	3,819.99	2,652.52	1,675.69	1,623.76	1,021.67
Cost of goods sold	16,364.62	13,730.03	15,130.24	13,445.73	10,590.05

24 EMPLOYEE BENEFITS EXPENSES

	(Rs. in millions)				
Particulars	For the year ended March 31, 2018	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
Salaries and bonus	305.65	266.42	266.31	245.78	192.94
Contribution to provident fund and other funds	22.55	17.88	16.67	14.90	10.16
Directors' Remuneration	18.01	-	-	-	-
Gratuity expense	5.25	4.27	3.71	2.56	7.57
Leave encashment expense*	-	-	-	-	1.69
Staff welfare expenses	16.35	15.00	12.43	13.15	7.61
Total Employee Benefits Expenses	367.80	303.57	299.12	276.38	219.97

* The Company had a leave encashment policy only for the year ended March 31, 2014 and accordingly no additional provision has been created in any other year.

25 OTHER EXPENSES

	(Rs. in millions)				
Particulars	For the year ended March 31, 2018	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
Advertisement expense	143.97	122.47	110.13	85.11	86.29
Donations	3.03	3.28	3.30	2.66	4.04
Electricity expenses	25.68	22.77	21.00	18.12	12.97
Directors' sitting fees	0.25	-	-	-	-
Legal and professional Fees	17.51	8.56	11.75	6.00	3.16
Rent	76.07	56.99	55.24	47.47	37.79
Repairs and maintenance	43.46	32.40	22.25	19.36	15.00
Security services	9.53	6.84	7.67	7.24	5.77
Sales promotion	13.52	10.79	14.94	20.78	5.59
Inauguration expenses	1.50	1.54	0.82	1.30	1.51
Travelling and conveyance	8.88	6.90	6.68	7.32	4.36
Rates and taxes*	6.85	20.01	5.21	1.58	0.39
Interest on statutory payments**	8.10	1.47	0.18	0.49	0.06
LBT Charges	20.16	21.35	22.14	17.25	14.99
Freight and octroi charges	4.18	3.46	3.48	2.80	2.84
CENVAT credit availed***	-	(23.64)	-	-	-
Insurance	2.82	2.38	2.08	2.59	5.17
Credit card commission	39.86	20.70	26.08	21.48	14.65
Communication expenses	9.57	6.90	7.70	5.70	3.57
Loss on sale of assets	1.03	1.06	0.04	0.01	-
Bad debts written off	10.52	-	-	-	-
Provision for bad and doubtful debts	7.99	-	-	-	-
Payments to auditors	1.55	1.50	0.81	0.34	1.76
Miscellaneous expenses	13.93	10.61	9.91	14.37	10.11
Total Other Expenses	469.97	338.34	331.43	281.97	230.04

Payment to Auditors

- Audit fees	1.55	1.29	0.79	0.34	0.40
- Other services	-	0.22	0.02	-	1.36

* During the year ended March 31, 2017, the Company reversed VAT credit availed amounting to Rs. 6.45 millions on account of transfer of stock to branches outside Maharashtra, under the relevant provisions of Maharashtra Value Added Tax Act, 2002. Also, the Company reversed the service tax credit availed amounting to Rs. 7.77 millions, credit of which is not allowable under the relevant provisions of Service Tax Act.

** In January 2018, the Company received demand orders for Local Body Tax (LBT) for the years 2013-14, 2014-15 and 2015-16, payable to Solapur Municipal Corporation amounting to a total of Rs. 12.49 millions including interest. However, the Company has paid the liability.

*** This represents amount of Service Tax credit (CENVAT) available to the Company upon levy of excise duty, since the Company followed inclusive method of accounting for expenses.

26 FINANCE COST

	(Rs. in millions)				
Particulars	For the year ended March 31, 2018	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
Interest expense					
- on cash credit	11.06	9.05	2.83	28.15	43.00
- on borrowings	112.29	44.61	32.09	16.91	14.15
- on schemes	75.03	91.89	99.55	82.40	73.60
- on loan from Promoters and others	29.72	56.66	75.54	64.85	50.21
- on others	30.24	34.65	29.56	15.36	6.40
Others					
- Bank commission charges	8.70	9.22	9.22	5.46	3.99
Total Finance Cost	267.04	246.07	248.80	213.13	191.34

27 DEPRECIATION AND AMORTIZATION

	(Rs. in millions)				
Particulars	For the year ended March 31, 2018	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
Depreciation on property, plant and equipment	65.20	52.86	43.18	34.13	23.41
Amortization on intangible assets	0.53	0.41	0.24	0.14	0.10
Total Depreciation and Amortization	65.72	53.27	43.42	34.26	23.51

28 EARNINGS PER SHARE

	(Rs. in millions)				
Particulars	For the year ended March 31, 2018	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
Profit attributable to equity shareholders	575.58	482.42	351.68	388.47	236.97
Weighted average number of shares outstanding during the period (No.s)	30.27	30.01	30.01	30.01	30.01
Basic and Diluted Earning per share (in Rs.)	19.02	16.07	11.72	12.94	7.90

(Refer Note 33)

29. Defined benefit plans

Gratuity:

The Company has an unfunded defined benefit gratuity plan. The Company provides for gratuity for its employees as per Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years or more are eligible for gratuity. The amount of gratuity is payable on retirement/termination of the employee's last drawn basic salary per month multiplied for the completed number of years of service. The Company makes provision of such gratuity liability in the books of accounts on the basis of actuarial valuation as per the projected unit credit method.

Risk analysis

- *Actuarial Risk*

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption then the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption then the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

- *Liquidity Risk*

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the Company there can be strain on the cash flows.

- *Market Risk*

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits and vice versa. This assumption depends on the yields on the corporate /government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

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- *Legislative Risk*

Legislative risk is the risk of increase in the plan liabilities due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

The following table summarizes the components of net benefit expense recognized in the statement of profit and loss and the amounts recognized in the balance sheet for the gratuity plan:

Expense recognized in the Restated Statement of Profit and Loss:

Particulars	For the year ended March 31, 2018	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
Current service cost	3.99	3.22	2.87	1.93	1.46
Net interest expense	1.26	1.05	0.84	0.63	0.44
Net benefit expense recognised in the Restated Statement of Profit and Loss	5.25	4.27	3.71	2.56	1.89

Amount recognized in the Restated Statement of Other Comprehensive Income:

Particulars	For the year ended March 31, 2018	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
Measurement during the period due to:					
Actuarial (gain) / loss arising from change in financial assumptions	(0.69)	0.94	(0.06)	1.24	(0.69)
Actuarial (gain) / loss arising on account of experience changes	(0.81)	(0.69)	(0.51)	0.18	0.35
Total Re-measurement cost/(credit) for the period recognised in Restated OCI	(1.49)	0.25	(0.58)	1.42	(0.34)

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Changes in defined benefit obligation over the years are as follows:

Particulars	For the year ended March 31, 2018	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
Fair value of defined benefit obligation at the beginning of the year	18.05	13.97	11.20	7.23	5.67
Current Service cost	3.99	3.22	2.87	1.93	1.46
Net interest expense	1.26	1.05	0.84	0.63	0.44
Benefits paid	(0.24)	(0.44)	(0.36)	-	-
Actuarial (gain) / loss arising from change in financial assumptions	(0.69)	0.94	(0.06)	1.24	(0.69)
Experience changes	(0.81)	(0.69)	(0.51)	0.18	0.35
Net value of defined benefit obligation at the end of the year	21.57	18.05	13.97	11.20	7.23

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	For the year ended March 31, 2018	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
Discount rate	7.55%	7.20%	7.80%	7.75%	9.14%
Salary escalation	5.00%	5.00%	5.00%	5.00%	5.00%
Retirement age	60 years	60 years	60 years	60 years	60 years

Sensitivity Analysis:

Revised defined benefit obligation over the period shall be as follows:

Assumptions	Sensitivity level	For the year ended March 31, 2018	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
Discount rate	0.5% increase	20.65	17.26	13.38	10.72	6.94
	0.5% decrease	22.56	18.90	14.61	11.72	7.53
Salary Escalation	0.5% increase	22.58	18.88	14.56	11.70	7.64
	0.5% decrease	20.65	17.32	13.34	10.72	6.95
Withdrawal rate	10% increase	21.78	18.27	14.11	11.30	7.36
	10% decrease	21.34	17.85	13.78	11.05	7.11

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The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contribution to the defined benefit plan in future years:

Particulars	As at March 31,2018	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
Current Liability	2.86	1.23	0.95	0.86	0.66
Non-Current Liability	18.71	16.82	13.02	10.34	6.57
Total expected payments	21.57	18.05	13.97	11.20	7.23

The weighted average duration of defined benefit plan obligation:

Particulars	For the year ended March 31, 2018	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
Weighted average duration of defined benefit plan obligation	10.96 years	11.20 years	11.25 Years	11.34 Years	11.32 Years

30. Employee Stock Option Plan

Pursuant to the approval of the shareholders of the Company at the Extraordinary General Meeting held on March 30, 2018, the Company approved a Stock Option Scheme for its employees called the PNG ESOP 2018 / Plan ("the Scheme"). Under the said Scheme, the Company was authorized to grant upto 1,200,000 equity shares to eligible employees/ directors of the Company. The eligible employees/ directors have been granted a total of 230,000 options at an exercise price of Rs. 210 per share on April 18, 2018 to purchase equity shares of the Company, subject to vesting conditions as set out in the Scheme. Exercise price has been derived by adjusting the Fair Value of share of Rs. 350 for the bonus issue (2 shares for every 3 shares held) as approved in EGM on April 18, 2018. The said stock options would vest in tranches over a period of 5 years as follows:

Period within which options will vest unto the participant	% of options that will vest
End of 24 months from the date of grant of options	20%
End of 42 months from the date of grant of options	30%
End of 60 months from the date of grant of options	50%

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31. Making Charges Received

The breakup of income from making charges received from customers in each financial year is as follows:

Particulars	For the year ended March 31, 2018	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
Gold	1,890.49	1,436.31	1,298.67	1,171.76	861.07
Silver and others	96.74	76.03	93.77	75.76	51.42
Total	1,987.22	1,512.33	1,392.44	1,247.52	912.49

32. Refund of Public Deposit

The erstwhile partnership firm had accepted fixed deposits from its customers. After registration of the said erstwhile partnership firm as a public limited Company, the Company is not eligible to accept such deposits pursuant to provisions of the Companies Act, 2013. The Board of Directors decided to repay the fixed deposits accepted by the erstwhile partnership firm.

An amount of Rs.352.46 million had been informed to the Registrar of Companies at the time of conversion and such deposits were entirely repaid before March 31, 2018.

33. Earnings per Equity Share

In accordance with the Indian Accounting Standard -33 on "Earnings per Share" (EPS):

Particulars	For the year ended March 31, 2018	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
Restated profit attributable to equity shareholders (Rs. in millions)	575.58	482.42	351.68	388.47	236.97
Weighted average number of shares outstanding during the period (No's in millions)	30.27	30.01	30.01	30.01	30.01
Basic and Diluted EPS (in Rs.)					
(Nominal value per share Rs 10)	19.02	16.07	11.72	12.94	7.90

Basic EPS is calculated by dividing the profit for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The

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Company currently does not have any dilutive potential equity shares. Consequently, the basic and diluted earnings per share of the Company remain the same.

The shareholders of the Company have accorded their consent to the following:

1. Issue and allotment of 2,55,000 equity shares of Rs 10 each at a premium of Rs. 340 per share, for cash, through private placement on a preferential basis to the proposed allottees at the Extraordinary General Meeting (EGM) held on March 7, 2018. Such equity shares are allotted pari passu with the existing equity shares of the Company.
2. Increase in the authorized share capital of the Company from Rs 210 million divided into 21 million equity shares of Rs 10 each, to Rs 300 million divided into 30 million equity shares of Rs 10 each at the EGM held on February 7, 2018. Further, increase in the authorized share capital of the Company from Rs 300 million divided into 30 million equity shares of Rs 10 each, to Rs 600 million divided into 60 million equity shares of Rs 10 each at the EGM held on March 30, 2018.
3. Issue and allotment of bonus shares in the ratio of 2 equity shares of Rs.10 each, for every 3 equity shares of Rs.10 each at the EGM held on April 18, 2018. The record date for the issue of bonus shares was April 20, 2018. 1,35,08,260 Bonus Equity Shares have been allotted on April 23, 2018 and equity share capital of the company has increased to 3,37,70,599.

The Board of Directors of the Company have approved the following in the meeting held on February 3, 2018:

Issue of 20,00,739 equity shares of Rs 10 each, by way of allotment for cash at a premium of Rs 340 per share on rights basis, in the ratio of 1 equity share for every 9 fully paid up equity shares held by existing shareholders of the Company as on February 3, 2018.

All shareholders of the Company as at February 3, 2018 exercised their right and allotment was made by converting existing liability to equity in the case of the Promoters of the Company, and by way of cash with respect to the other shareholders.

As per Ind AS-33, if the number of ordinary or potential ordinary shares outstanding increases as a result of a capitalisation, bonus issue or share split, or decreases as a result of a reverse share split, the calculation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively. If these changes occur after the reporting period but before the financial statements are approved for issue, the per share calculations for those and any prior period financial statements presented shall be based on the new number of shares. Pursuant to the issue of bonus equity shares as mentioned above, the weighted average numbers of shares and consequently the basic and diluted earnings per share have been adjusted in the financial statements for all the periods presented.

34. Investment Property

The Company's investment property consists of freehold land owned by the Company. The management has determined that the investment property consists of one class of asset based on the nature, characteristics and risks of the property.

The Company does not recognize any amounts in its Restated Statement of Profit and Loss on account of such property. There is no depreciation charged on such investment property since it is in the

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nature of freehold land. There is no rental income generated or expenses incurred towards such property. The Company has no restrictions on the realisability of its investment properties and no contractual obligations to construct or develop investment properties.

As at March 31, 2018 the fair value of the land is Rs. 28.35 million. These valuations are based on valuations performed by an external independent valuer at the time of acquisition of property.

35. Commitments and contingencies*Commitments*

Operating lease commitments - Company as lessee

The Company has entered into operating lease agreements on store premises, with lease terms of three to five years, with specified lock in periods. There are no subleases.

The lease rentals charged during the period are as under:

Particulars	For the year ended March 31, 2018	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
Lease rentals recognised during the year	76.07	56.99	55.24	47.47	37.79

Future minimum rentals payable under non-cancellable operating leases are as follows:

Particulars	As at March 31,2018	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
Within one year	24.69	31.36	32.70	12.51	10.45
After one year but not more than five years	32.70	16.04	44.75	29.53	29.68
More than five years	-	-	-	-	-

Contingent liabilities

The Company has a contingent liability of Rs 20.63 million towards income tax matters as at March 31, 2018. The Company is contesting the demands and the management, including its tax/legal advisors, believe that its position will likely be upheld in the appellate process. No expense has been recorded in the financial statements for the above demands raised.

On behalf of the erstwhile partnership firm, the Company is in appeal with the respective government authorities for below mentioned tax proceedings; however such amounts have already been provided for in the books of accounts and therefore are not contingent in nature.

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Tax Proceedings

	Type of Tax	Amount in appeal
Direct -		
Income Tax		1.34

Note: The amount stated above is below the materiality policy regarding litigation as defined by the company.

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36. Related Party Disclosures

In compliance with Ind AS-24 – “Related Party Disclosures”, as notified under Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 the required disclosures are given in the table below:

A. Name of related parties

Name of Related Party	Nature of Relationship				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Govind Vishwanath Gadgil (Promoter)	Key Management Personnel	Key Management Personnel	Key Management Personnel	Key Management Personnel	Key Management Personnel
Renu Govind Gadgil (Promoter)	Key Management Personnel	Key Management Personnel	Key Management Personnel	Key Management Personnel	Key Management Personnel
Amit Yeshwant Modak (CEO w.e.f. April 20, 2016; former Finance Head)	Key Management Personnel	Key Management Personnel	Key Management Personnel	Key Management Personnel	Key Management Personnel
Aditya Amit Modak (CFO)	Key Management Personnel	Relative of key management personnel	Relative of key management personnel	Relative of key management personnel	-
Udaya Narayan Kalkundrikar (Director)	Key Management Personnel	-	-	-	-
PNG Jewellery & Gems (up to July 1, 2016)	-	Enterprise owned or significantly influenced by key management personnel or their relatives	Enterprise owned or significantly influenced by key management personnel or their relatives	Enterprise owned or significantly influenced by key management personnel or their relatives	Enterprise owned or significantly influenced by key management personnel or their relatives
Gadgil Metals & Commodities	Enterprise owned or significantly influenced by key management personnel or their relatives	Enterprise owned or significantly influenced by key management personnel or their relatives	Enterprise owned or significantly influenced by key management personnel or their relatives	Enterprise owned or significantly influenced by key management personnel or their relatives	Enterprise owned or significantly influenced by key management personnel or their relatives

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(All amounts in Rupees in millions, except per share data and unless stated otherwise)

Name of Related Party	Nature of Relationship				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Bhide Gadgil Associates	Enterprise owned or significantly influenced by key management personnel or their relatives	Enterprise owned or significantly influenced by key management personnel or their relatives	Enterprise owned or significantly influenced by key management personnel or their relatives	Enterprise owned or significantly influenced by key management personnel or their relatives	Enterprise owned or significantly influenced by key management personnel or their relatives
Puneet Shares & Finance Private Limited	Enterprise owned or significantly influenced by key management personnel or their relatives	Enterprise owned or significantly influenced by key management personnel or their relatives	Enterprise owned or significantly influenced by key management personnel or their relatives	Enterprise owned or significantly influenced by key management personnel or their relatives	Enterprise owned or significantly influenced by key management personnel or their relatives
Shree Construction Company	Enterprise owned or significantly influenced by key management personnel or their relatives	Enterprise owned or significantly influenced by key management personnel or their relatives	Enterprise owned or significantly influenced by key management personnel or their relatives	Enterprise owned or significantly influenced by key management personnel or their relatives	Enterprise owned or significantly influenced by key management personnel or their relatives
Bhide Gadgil Developers	Enterprise owned or significantly influenced by key management personnel or their relatives	Enterprise owned or significantly influenced by key management personnel or their relatives	Enterprise owned or significantly influenced by key management personnel or their relatives	Enterprise owned or significantly influenced by key management personnel or their relatives	Enterprise owned or significantly influenced by key management personnel or their relatives
Anjali Vishwanath Gadgil	Relative of key management personnel	Relative of key management personnel	Relative of key management personnel	Relative of key management personnel	Relative of key management personnel
Govind Gadgil HUF	Enterprise owned or significantly influenced by key management personnel or their relatives	Enterprise owned or significantly influenced by key management personnel or their relatives	Enterprise owned or significantly influenced by key management personnel or their relatives	Enterprise owned or significantly influenced by key management personnel or their relatives	Enterprise owned or significantly influenced by key management personnel or their relatives

P. N. Gadgil & Sons Limited**Notes to Restated Financial Information**

(All amounts in Rupees in millions, except per share data and unless stated otherwise)

B. Transactions with related parties:

Transactions during the year	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Govind Vishwanath Gadgil					
Issue of Capital	388.89	-	-	-	-
Sale of goods	9.14	-	2.69	0.07	2.67
Purchase of goods	-	-	0.15	-	-
Assets Introduced	-	-	-	-	110.78
Assets Transferred	131.74	-	-	-	-
Rent and Maintenance Charges	27.38	-	-	-	-
Repayment Of Unsecured Loan*	867.94	233.74	193.99	103.23	111.83
Interest on Unsecured Loan*	13.69	48.66	59.61	59.08	49.26
Dividend*	737.75	78.64	66.33	56.10	59.99
Director remuneration	9.60	-	1.80	1.80	1.80
Security Deposit for shops	13.35	-	-	-	-
Closing Balance (Payable)/Receivable	(81.11)	(381.84)	(488.29)	(557.07)	(543.40)
Escrow balance (Refer note 44)	(30.00)	-	-	-	-
Renu Govind Gadgil					
Issue of Capital	311.11	-	-	-	-
Sale of goods	0.04	-	-	-	-
Rent and Maintenance Charges	8.50	-	-	-	-
Acceptance Of Unsecured Loan*	-	-	-	16.85	-
Repayment Of Unsecured Loan*	494.81	61.45	68.53	-	9.04
Interest on Unsecured Loan*	13.06	6.80	14.60	3.86	-
Dividend*	512.41	62.87	53.03	44.85	36.49
Director remuneration	7.20	-	1.20	1.20	1.20
Security Deposit for shops	5.10	-	-	-	-
Closing Balance (Payable)/Receivable	(95.15)	(89.60)	(81.39)	(81.10)	(14.34)
Escrow balance (Refer note 44)	(20.00)	-	-	-	-

*Refer Note 44 - Treatment of Partner's Capital in the erstwhile partnership firm on conversion to Company

P. N. Gadgil & Sons Limited**Notes to Restated Financial Information**

(All amounts in Rupees in millions, except per share data and unless stated otherwise)

Transactions during the year	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Amit Yeshwant Modak					
Issue of Capital	11.25	-	-	-	-
Sale of Assets	0.73	-	-	-	-
Director remuneration	6.79	3.03	2.95	2.77	2.58
Advance given/ (received) (net)	(0.30)	(0.11)	(0.32)	0.73	(0.23)
Interest on Deposit	0.69	0.75	0.96	0.80	-
Deposit received	17.10	-	-	8.00	-
Deposit repaid	22.60	2.50	-	-	-
Closing Balance (Payable)/Receivable	-	(5.20)	(7.54)	(7.26)	0.00*
Aditya Amit Modak					
Issue of Capital	1.40	-	-	-	-
Salary	1.81	1.69	1.11	-	-
Professional Fees	-	-	-	0.58	-
Interest paid on Deposit	0.09	0.12	0.22	0.18	-
Deposit received	-	-	0.13	2.45	-
Deposit repaid	1.24	-	1.34	-	-
Closing Balance (Payable)/Receivable	-	(1.24)	(1.24)	(2.45)	-
Anjali Vishwanath Gadgil					
Issue of capital	5.25	-	-	-	-
Salary	1.86	1.55	1.81	1.40	1.56
Advance given/ (received) (net)	0.16	(0.15)	0.15	-	-
Interest on Deposit	1.25	0.78	0.78	0.54	0.28
Deposit received	19.00	7.00	3.20	1.00	1.80
Deposit repaid	27.50	6.00	0.50	-	-
Closing Balance (Payable)/Receivable	0.16	(8.50)	(7.35)	(4.80)	(3.80)

P. N. Gadgil & Sons Limited**Notes to Restated Financial Information**

(All amounts in Rupees in millions, except per share data and unless stated otherwise)

Transactions during the year	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Udaya Narayan Kalkundrikar					
Issue of capital	0.70	-	-	-	-
Sitting Fees	0.02	-	-	-	-
Closing Balance (Payable)/Receivable	-	-	-	-	-
Bhide Gadgil Associates					
Maintenance & Electricity Charges	-	-	-	4.79	5.01
Closing Balance (Payable)/Receivable	-	-	-	-	(0.27)
Gadgil Metals & Commodities					
Interest on Deposit	1.04	0.79	-	-	-
Deposit received	22.50	20.00	-	-	-
Deposit repaid	22.50	20.00	-	-	-
Brokerage	-	-	-	2.31	0.15
Margin money paid	-	-	-	-	10.00
Closing Balance (Payable)/Receivable	-	-	-	-	10.00
PNG Jewellery & Gems (transactions upto July 1, 2016)					
Sale of goods		0.04	-	-	-
Commission charges received		2.83	4.50	4.26	10.00
Closing Balance (Payable)/Receivable		-	3.31	0.30	(2.89)

**0.00 denotes amounts below the rounding off convention

Note: As the liabilities for defined benefit plan are provided on actuarial basis for the Company as a whole, the amount pertaining to key managerial personnel are not included.

P. N. Gadgil & Sons Limited**Notes to Restated Financial Information**

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37. Segment Information

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are reviewed regularly by the Company's Board of Directors (BOD), which has been identified as being the Chief Operating Decision Maker (CODM), to make decisions about resources to be allocated to the segments and assess their performance.

The Company is into jewellery business. The CODM evaluates the Company's performance and allocates resources based on the analysis of the various performance indicators of the Company as a single unit. Therefore there is no reportable segment for the Company as per the requirements of Ind AS 108 "Operating Segments".

Information about geographical areas

The Company has operations only in India, hence there are no separately reportable geographical segments for the Company as per the requirements of Ind AS 108 – "Operating Segments".

Information about major customers

There is no single customer or customer group who accounts for more than 10% of the total revenue of the Company.

38. Hedging activities and derivatives

The Company uses derivative financial instruments to manage risks associated with gold price fluctuations relating to certain highly probable forecasted transactions.

The Company uses foreign currency future contracts to manage its exposure against the foreign currency risk relating to prices of gold.

The Company also enters into commodity forward contracts to manage its exposure to the variability of cash flows, primarily related to future sales and purchase of commodities.

The Company does not apply hedge accounting on such relationships. As at reporting period, the Company does not have any outstanding exposure in forward and future contracts.

The realized gains from such derivative transactions are:

Particulars	For the year ended March 31, 2018	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
Hedging Mark To Mark Loss / (Gain):					
i) Commodity	(3.96)	4.46	13.48	(4.68)	11.95
ii) Currency	(0.99)	-	-	-	-

P. N. Gadgil & Sons Limited

Notes to Restated Financial Information

(All amounts in Rupees in millions, except per share data and unless stated otherwise)

39. Fair Value Measurement

Particulars	March 31,2018		March 31,2017		March 31,2016		March 31,2015		March 31,2014	
	FVTPL	Amortised cost	FVTPL	Amortised cost	FVTPL	Amortised cost	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial Assets										
Investments	7.51	-	107.55	-	100.17	-	107.66	-	100.16	-
Fixed deposits (unquoted)	-	1.00	-	1.67	-	0.67	-	4.50	-	24.50
Security Deposits	-	52.66	-	46.19	-	45.15	-	38.86	-	34.69
Loans given	-	-	-	30.07	-	-	-	-	-	-
Trade receivables	-	16.40	-	24.61	-	23.19	-	20.64	-	26.16
Other financial assets	-	86.89	-	59.83	-	38.27	-	23.12	-	58.44
Cash and cash equivalents	-	273.40	-	248.05	-	258.68	-	367.04	-	559.70
Other bank balance	-	0.81	-	19.57	-	49.01	-	27.04	-	15.26
Total Financial Assets	7.51	431.15	107.55	429.99	100.17	414.96	107.66	481.19	100.16	718.74
Financial liabilities										
Borrowings	-	2,809.90	-	1867.03	-	1462.73	-	1668.76	-	1322.89
Trade Payables	-	313.94	-	367.29	-	85.89	-	89.08	-	181.61
Other financial liabilities	-	34.78	-	23.47	-	-	-	-	-	58.82
Total Financial Liabilities	-	3,158.62	-	2,257.79	-	1,548.62	-	1,757.83	-	1,563.32

*0.00 denotes amounts below the rounding off convention

P. N. Gadgil & Sons Limited**Notes to Restated Financial Information****(All amounts in Rupees in millions, except per share data and unless stated otherwise)**

The management assessed that the fair value of cash and cash equivalents, trade receivables, trade payables and other current financial assets and liabilities approximate their carrying amounts, largely due to the short term nature of these balances.

The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The management assessed that the carrying amounts of its financial instruments are reasonable approximations of fair values.

Description of significant unobservable inputs to valuation

The significant unobservable inputs used in the fair value measurements categorized within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at year end is as under”

Particulars	Valuation technique	Significant unobservable inputs	Weighted average cost of equity	Sensitivity of the input to fair value
Perpetual Non-cumulative Preference Shares - The Shamrao Vithal Co-operative Bank	Discounted cash flow method	Weighted average cost of equity	10.25%	1% increase : Decrease in fair value by INR 4,37,392 1% decrease : Increase in fair value by INR 4,76,390

Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Level 1 - This hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, exchange traded funds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing Net Assets Value (NAV). NAV represents the price at which the issuer will issue further units and will redeem such units of mutual fund to and from the investors.

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. There are no transfers between levels 1 and 2 during the period. The Company's policy is to recognize transfers into and transfers out of fair value hierarchy level as at the end of reporting period.

P. N. Gadgil & Sons Limited**Notes to Restated Financial Information**

(All amounts in Rupees in millions, except per share data and unless stated otherwise)

The following table presents the fair value measurement hierarchy of the Company's financial assets and liabilities:

Particulars	Fair value measurement			Total
	Level 1	Level 2	Level 3	
Financial Investments measured at fair value through profit and loss				
Mutual Funds				
As at March 31, 2018	-	-	-	-
As at March 31, 2017	100.04	-	-	100.04
As at March 31, 2016	92.66	-	-	92.66
As at March 31, 2015	100.15	-	-	100.15
As at March 31, 2014	100.16	-	-	100.16
Equity Shares in The Shamrao Vithal Co-operative Bank				
As at March 31, 2018	-	-	0.00*	0.00*
As at March 31, 2017	-	-	0.00*	0.00*
As at March 31, 2016	-	-	0.00*	0.00*
As at March 31, 2015	-	-	0.00*	0.00*
As at March 31, 2014	-	-	0.00*	0.00*
Preference Shares in The Shamrao Vithal Co-operative Bank				
As at March 31, 2018	-	-	7.51	7.51
As at March 31, 2017	-	-	7.51	7.51
As at March 31, 2016	-	-	7.51	7.51
As at March 31, 2015	-	-	7.51	7.51
As at March 31, 2014	-	-	-	-
Equity Shares in The Vishweshwar Sahakari Bank				
As at March 31, 2018	-	-	0.00*	0.00*
As at March 31, 2017	-	-	0.00*	0.00*
As at March 31, 2016	-	-	0.00*	0.00*
As at March 31, 2015	-	-	0.00*	0.00*
As at March 31, 2014	-	-	-	-

*0.00 denotes amounts below the rounding off convention

40. Financial Risk Management

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans given, investments, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's financial risk activities are governed by appropriate policies and procedures and financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Company's financial risk management policies are set by the Board of Directors. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

P. N. Gadgil & Sons Limited**Notes to Restated Financial Information****(All amounts in Rupees in millions, except per share data and unless stated otherwise)***Market risk*

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include deposits, investments, receivables, payables, advances and other financial instruments. Market risk comprises interest rate risk, currency risk and other price risk such as commodity price risk. The sensitivity analysis in the following sections relate to the position as at respective year end.

The following assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at each year end.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Year ended	Increase / (decrease) in basis points	Effect on Restated Profit/(Loss) before tax	Effect on Restated Other Equity
March 31, 2018	50	(3.47)	(1.24)
	(50)	3.47	1.24
March 31, 2017	50	(2.71)	(0.93)
	(50)	2.71	0.93
March 31, 2016	50	(1.64)	(0.57)
	(50)	1.64	0.57
March 31, 2015	50	(1.96)	(0.67)
	(50)	1.96	0.67
March 31, 2014	50	(2.42)	(0.82)
	(50)	2.42	0.82

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities on account of purchase of gold. The Company enters into foreign currency futures to minimize the risk.

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As at reporting period, the Company does not have any outstanding exposure in or based on foreign currencies.

Since the purchase based on foreign currency rates is negligible to the total purchases the fluctuations in the foreign exchange rate does not have any material impact on the profitability of the Company.

Commodity price risk

The Company is affected by the price volatility of commodities like gold and silver. Its operating activities require the ongoing purchase and sale of these commodities. The Company uses derivative financial instruments to manage risk associated with the commodity price fluctuations. The hedging transaction is mainly done against price risk on exposure of the commodity. All such derivative financial instruments are supported by an underlying stock and are not for speculation / trading.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institution and other financial instruments.

- *Trade receivables*

Customer credit risk is managed by the Company subject to the established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security.

- *Financial instruments and cash deposits*

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made with banks in terms of fixed deposits and investment in designated mutual funds. Credit risk on cash deposits is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Other investments primarily include investment in liquid mutual fund units of reputed companies where historically, the Company has not incurred any loss due to credit risk.

Liquidity risk

The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. The Company assessed the concentration of risk with

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respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarizes the maturity profile of the Company's financial and other current liabilities based on contractual undiscounted payments:

Particulars	On Demand	Within 1 year	1-5 years	Total
March 31, 2018				
Borrowings	2,373.42	34.78	436.48	2,844.68
Trade and Other Payables	313.94	-	-	313.94
Other Current Liabilities	742.22	-	-	742.22
Total	3,429.58	34.78	436.48	3,900.84
March 31, 2017				
Borrowings	1,639.27	23.47	227.76	1890.50
Trade and Other Payables	367.29	-	-	367.29
Other Current Liabilities	530.71	-	-	530.71
Total	2,537.26	23.47	227.76	2,788.50
March 31, 2016				
Borrowings	1462.73	-	-	1462.73
Trade and Other Payables	85.89	-	-	85.89
Other Current Liabilities	428.17	-	-	428.17
Total	1,976.78	-	-	1,976.78
March 31, 2015				
Borrowings	1,668.76	-	-	1,668.76
Trade and Other Payables	89.08	-	-	89.08
Other Current Liabilities	344.19	-	-	344.19
Total	2,102.03	-	-	2,102.03
March 31, 2014				
Borrowings	1,322.89	58.82	-	1,381.71
Trade and Other Payables	181.61	-	-	181.61
Other Current Liabilities	276.97	-	-	276.97
Total	1,781.46	58.82	-	1,840.28

41. Gold Metal Loan

In September 2015, the Government of India approved the gold monetization plan in the form of revamped Gold Deposit Scheme (GDS) and the Gold Metal Loan (GML) Scheme to mobilize tons of gold stored in households and temples across the country. The Union Cabinet also approved the introduction of Sovereign Gold Bond Scheme, under which gold bonds denominated in grams of gold will be issued to individuals by the Reserve Bank of India (RBI), in consultation with Ministry of Finance.

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The Company has an arrangement with the approved banker for lifting gold under metal loan terms against a limit under “price unfixed basis” and opts to fix the price for gold taken under loan within 180 days at delivery.

However, based on business expediencies, the Company fixes the price within 180 days, whenever the price is favourable. The price difference arising out of such transactions are accounted in cost of sales and adjusted accordingly. The interest if any payable to bankers on such outstanding is treated as expenses on accrual basis. Liability if any, as at the year end is treated as trade payables against purchase of gold.

42. Capital Management

For the purpose of the Company’s capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company’s capital management is to ensure that it maintains a strong credit rating in order to support its business activities and maximize brand value.

The Company manages its capital and makes adjustments to it in light of the changes in economic and market conditions. The total equity as at year end is:

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Share Capital	202.62	180.07	180.07	180.07	180.07
Other equity	1,026.42	1,000.76	660.00	427.31	140.72
Total Equity	1,229.05	1,180.82	840.07	607.38	320.78

43. Outstanding dues to micro, small and medium enterprises under the Micro, Small and Medium Enterprises Development Act (MSMED), 2006

The erstwhile partnership firm had no reporting requirement to separately disclose amounts unpaid as at the year end, together with interest paid/payable to micro, small and medium enterprises as specified under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

The Company has determined dues to Micro, Small and Medium Enterprises on the basis of information collected from its suppliers as follows:

Particulars	As at March 31, 2018
Principal amount remaining unpaid	32.98
Interest Due thereon	-

44. Treatment of Partner’s Capital in the erstwhile partnership firm on conversion to Company

On conversion from a partnership firm under Chapter XXI of the Companies Act, 2013, fixed capital of the partners as on November 6, 2017 of Rs. 180.06 million has been taken as the equity share capital of the Company. Current capital of partners of Rs. 1185.71 million has been treated as

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unsecured loans from shareholders and same has been presented as dividend distribution in the Restated Statement of Changes in Equity.

The company has set aside amounts in Promoters' ESCROW accounts from the total loans outstanding to them as at March 31, 2018 to cover costs for uncertain future liabilities that may arise, if any, pertaining to erstwhile partnership firm.

The capital of the partners in the erstwhile partnership firm was as under:

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Partner's Capital	1,607.69	1,404.03	1,243.97	908.76

45. First-time adoption of Ind AS

The Restated Statement of Assets and Liabilities of the Company as at and for the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014 and the Restated Statement of Profit and Loss, and the Restated Statement of Cash flows for the years then ended and Restated Other Financial Information (together referred as 'Restated Financial Information') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 to the extent applicable.

This note explains the principal adjustments made by the Company in restating its Financial Statements as per the previous GAAP to the Restated Financial Information as at and for the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014. Accordingly, suitable restatement adjustments (both re-measurements and re-classifications) in the accounting heads are made to the Ind AS financial information as of and for the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS (i.e. April, 2016).

In preparing its opening Ind AS balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flow is set out below.

In preparing its opening Ind AS balance sheet, the Company has applied the following principles for assets, liabilities and equity forming part of the Restated Financial Information:

- Recognise all assets and liabilities whose recognition is required by Ind ASs;
- Not recognise items as assets and liabilities if Ind ASs do not permit such recognition;
- Reclassify items that it recognised in accordance with previous GAAP as one type of asset, liability or component of equity, but are a different type of asset, liability or component of equity in accordance with Ind AS; and apply Ind ASs in measuring all recognised assets and liabilities.

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Exemptions applied

In preparing these Restated Financial Information, the Company has availed itself of certain exemptions and exceptions in accordance with Ind AS 101 as explained below:

- **Property, plant and equipment and Intangibles**

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP as 'deemed cost' at April 1, 2016 for all the items of property, plant & equipment. For the purpose of Restated Financial Information for the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014, the Company has provided depreciation based on the estimated useful life of respective years and as the change in estimated useful life is considered as change in estimate, accordingly there is no impact of this roll back. Similar approach has been followed with respect to intangible assets.

- **Embedded lease**

For leases of both land and building elements, the Company has used Ind AS 101 exemption and has assessed the classification of each element as finance or an operating lease at the date of transition (April 1, 2016) to Ind AS on the basis of the facts and circumstance existing as at that date. For the purpose of Ind AS financial information for the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014, the Company has continued with the classification of finance and operating leases on the date of transition.

Exceptions from full retrospective application:

- **Estimates**

The estimates for the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014 are consistent with those made for the same dates in accordance with the previous GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of the previous GAAP did not require estimation:

- FVTPL – unquoted equity shares
- FVTPL – unquoted preference shares

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at the date of transition to Ind AS, as of financial years ended March 31, 2018, 2017, 2016, 2015 and 2014.

- **Classification and measurement of financial assets**

The Company has classified financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

P. N. Gadgil & Sons Limited

Notes to Restated Financial Information

(All amounts in Rupees in millions, except per share data and unless stated otherwise)

- **De-recognition of financial assets and financial liabilities**

The Company has elected to apply the de-recognition requirements in Ind AS 109 prospectively for transactions occurring on or after April 1, 2016.

Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity and total comprehensive income and cash flows for prior periods. The below mentioned reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101 for the following:

- Equity as at for the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014
- Profit for the financial years ended March 31, 2018, 2017, 2016, 2015, and 2014

In the reconciliations mentioned below, certain reclassifications have been made to financial information as per previous GAAP, to align with the Ind AS presentation.

There are no material adjustments to the cash flow statements.

P. N. Gadgil & Sons Limited**Notes to Restated Financial Information**

(All amounts in Rupees in millions, except per share data and unless stated otherwise)

Reconciliation of total equity

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Total equity as per previous GAAP	1,607.69	1,404.03	1,243.97	908.76
A. Ind AS Adjustments				
i. Impact of discounting of lease deposits	(0.26)	(0.39)	(0.41)	(0.32)
ii. Fair valuation of mutual funds	0.04	0.33	0.15	0.16
iii. Subscription fees	(0.00*)	(0.00*)	(0.00*)	(0.00*)
B. Restatement Adjustments				
i. Provision for Gratuity	(18.05)	(13.97)	(11.20)	(7.23)
ii. Provision for Leave encashment	-	-	(0.74)	(1.69)
iii. Deferred tax adjustments	(0.70)	7.60	0.32	(0.78)
iv. Provision for Interest on Schemes	(63.21)	(59.37)	(57.02)	(34.43)
C. Adjustment on account of changes in accounting – policies				
i. Change in method of inventory valuation	-	-	37.78	15.31
ii. Change in method of depreciation	61.20	44.96	25.01	18.28
D. Adjustment due to conversion of partnership firm into Company				
i. Loan from promoters	(405.89)	(543.12)	(630.49)	(577.27)
Total adjustments	(426.87)	(563.96)	(636.60)	(587.98)
Total equity as per Restated Financial Information	1,180.82	840.07	607.38	320.78

*0.00 denotes amounts below the rounding off convention

P. N. Gadgil & Sons Limited**Notes to Restated Financial Information**

(All amounts in Rupees in millions, except per share data and unless stated otherwise)

Reconciliation of total comprehensive income

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
Profit after tax as per previous GAAP	412.92	319.46	354.02	223.45
<u>A. Ind AS adjustments</u>				
i. Impact of discounting of lease deposits	0.13	0.02	(0.09)	(0.32)
ii. Fair valuation of mutual funds	(0.29)	0.18	(0.01)	0.16
iii. Subscription fees	-	-	-	(0.00)*
<u>B. Restatement adjustments</u>				
i. Provision for Gratuity	(4.08)	(2.77)	(3.98)	(7.23)
ii. Provision for Leave encashment	-	0.74	0.95	(1.69)
iii. Deferred tax adjustments	(8.30)	7.27	1.11	(0.78)
iv. Provision for Interest on Schemes	(3.84)	(2.35)	(22.60)	(34.43)
<u>C. Adjustment on account of changes in accounting policies</u>				
i. Change in method of inventory valuation	-	(37.78)	22.48	15.31
ii. Change in method of depreciation	16.24	19.96	6.73	18.28
<u>D. Adjustment on account of conversion of partnership firm into the Company</u>				
i. Interest on capital recorded as dividend	69.48	47.34	28.92	24.45
Total adjustments (A+B+C+D)	69.34	32.60	33.51	13.75
Total Comprehensive Income, net of taxes as per Restated Financial Information	482.26	352.06	387.54	237.20

*0.00 denotes amounts below the rounding off convention

Footnotes to the reconciliation of equity and total comprehensive income

A. Adjustments on account of Transition from previous GAAP to Ind AS

i. Fair valuation of lease deposits

The Company has given interest free security deposits for the leased premises. As per the previous GAAP, these deposits were recorded at transaction value. However, under Ind AS, these deposits are measured at fair value on initial recognition. The difference between transaction value and fair value on initial recognition of deposits is treated as deferred rent expense.

Interest income is accrued on discounted value of these deposits and deferred rent expense is amortized to profit and loss over the lease term.

ii. Fair valuation of mutual funds

Under the previous GAAP, the Company accounted for investments in mutual funds as investments measured at lower of cost and market value. Under Ind AS, the Company has classified such investments as FVTPL investments. Ind AS requires FVTPL investments to be measured at fair value. The difference between the instruments' fair value and carrying amounts as per previous GAAP has been recognized in retained earnings, as at transition date and subsequently in statement of profit and loss under the head 'Other Income'.

B. Restatement adjustments

i. Gratuity provision

Under the previous GAAP, the liability for gratuity was accounted for on cash basis. Under Ind AS, the cost of providing benefits under gratuity is determined on the basis of actuarial valuation at each reporting date. An actuarial valuation is carried out using the project unit credit method. Accordingly, a provision is created to that extent, at each reporting date.

ii. Leave Encashment

Under the previous GAAP, the liability for leave encashment was accounted for on cash basis. Under Ind AS, Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company had a leave encashment policy only for the year ended March 31, 2014 and accordingly no additional provision has been created in any other year.

iii. Tax impact on Ind AS adjustments

The impact of transition adjustments together with Ind AS mandate of using balance sheet approach for computation of deferred tax has resulted in adjustment to reserves with consequential impact in the subsequent periods to the statement of profit and loss or other comprehensive income, as the case may be.

P. N. Gadgil & Sons Limited**Notes to Restated Financial Information**

(All amounts in Rupees in millions, except per share data and unless stated otherwise)

iv. Accrual of discount and interest under various schemes

The Company has three different schemes for its customers, namely, Kuber Scheme, Sanchayat Dhanavardhanam Scheme and Gold Deposit scheme. Under these schemes, the customers were entitled to interest / discount at the end of specific tenures as per the terms and conditions of the respective schemes.

Under previous GAAP, the Company accounted for interest/discount expenses as per the contractual terms of the Scheme i.e. after completion of agreed tenure. However, for the purpose of the Restated Financial Information, these expenses have been accrued over the tenure of the schemes in line with the principle of accrual. Accordingly, an adjustment at each reporting date has been made for the incremental amount of provision.

C. Adjustment on account of changes in accounting policies**i. Inventory**

The Company previously used to value its inventory at cost and then switched to the simple average method using opening and closing metal rates. However, the method of inventory valuation was changed to the weighted average methods with effect from April, 2015. Since this is a change in accounting policy, effect of such change has been made retrospectively in the Restated Financial Information.

ii. Depreciation

Under the previous regulatory framework, the Company, an erstwhile partnership firm followed Written down value (WDV) method of depreciation using the rates prescribed in the Income tax act, 1961. However, on conversion, the Company has elected to follow the straight line method of depreciation as allowed by the Companies Act, 2013. Deprecation has been computed by estimating the useful life of the respective assets in line with Schedule II of the Companies Act, 2013. Accordingly, an adjustment at each reporting date has been made for the differential amount.

D. Due to conversion of partnership firm into the Company**i. Interest on capital recorded as dividend**

In the erstwhile partnership firm, the partners were entitled to interest on their capital contributions as per the Partnership Deed. Such interest was discretionary in nature. Accordingly, on conversion to Company, in the Restated Financial Information of the Company, interest paid to partners on their capital contribution in previous years, is now bifurcated between dividend distributed against profits and interest due on unsecured loans from them.

P. N. Gadgil & Sons Limited**Notes to Restated Financial Information**

(All amounts in Rupees in millions, except per share data and unless stated otherwise)

As per our report of even date

For Shah & Taparia

Chartered Accountants

Firm Registration No: 109463W

For and on behalf of the Board of Directors of

P. N. Gadgil & Sons Limited

CIN: U36911PN2017PLC173262

Ramesh Pipalawa

Partner

Govind Gadgil

Chairman and

Whole-time

Director

Amit Modak

Whole-time

Director and

Chief Executive

Officer

Aditya Modak

Chief Financial

Officer

Purva Mehra

Company

Secretary

Membership

No. 33796

Membership No. 103840

Place: Pune

Date: May 3, 2018

DIN: 00616617

Place: Pune

Date: May 3, 2018

DIN: 00396631

ANNEXURE VI – RESTATED STATEMENT OF MATERIAL ADJUSTMENTS

Summary of material adjustments and their impact on the Restated Statement of Profit and Loss of the Company:

		(Rs. in millions)			
	Particulars	For the year ended March 31, 2017 412.92	For the year ended March 31, 2016 319.46	For the year ended March 31, 2015 354.02	For the year ended March 31, 2014 223.45
A.	Net profit after tax as per previous GAAP				
B.	Ind AS adjustments				
(i)	Impact of discounting of lease deposits recognized at amortized cost	0.13	0.02	(0.09)	(0.32)
(ii)	Fair valuation of financial instruments through profit and loss (FVTPL)	(0.29)	0.18	(0.01)	0.16
(iii)	Subscription fees	-	-	-	(0.00)*
	Total	(0.16)	0.20	(0.10)	(0.16)
C.	Restatement adjustments				
(i)	Provision for Gratuity	(4.08)	(2.77)	(3.98)	(7.23)
(ii)	Provision for Leave encashment	-	0.74	0.95	(1.69)
(iii)	Deferred Tax Adjustment	(8.30)	7.27	1.11	(0.78)
(iv)	Provision for Interest on schemes	(3.84)	(2.35)	(22.60)	(34.43)
	Total	(16.22)	2.90	(24.51)	(44.12)

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
D. Adjustment on account of changes in accounting policies				
(i) Change in method of inventory valuation	-	(37.78)	22.48	15.31
(ii) Change in method of depreciation	16.24	19.96	6.73	18.28
Total	16.24	(17.83)	29.21	33.58
E. Adjustment on account of conversion of partnership firm to Company				
(i) Interest on capital recorded as dividend	69.48	47.34	28.92	24.45
Total	69.48	47.34	28.92	24.45
F. Total impact of adjustments (B+C+D+E)	69.34	32.60	33.51	13.75
G. Restated comprehensive income, net of taxes (A-F)	482.26	352.06	387.54	237.20

*0.00 denotes amounts below the rounding off convention

Notes:

1. There are no adjustments on account of audit qualifications.
2. The above figures are based on Annexure I to Annexure V of the Restated Financial Information.

Below mentioned is the summary of material adjustments and its impact on restated equity (shareholders' funds)

Particulars	(Rs. in millions)			
	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
A. Total equity (shareholders' fund) as per previous GAAP	1,607.69	1,404.03	1,243.97	908.76
B. Ind AS adjustments				
(i) Impact of discounting of lease deposits recognized at amortized cost	(0.26)	(0.39)	(0.41)	(0.32)
(ii) Fair valuation of financial instruments through profit and loss (FVTPL)	0.04	0.33	0.15	0.16
(iii) Subscription fees	(0.00*)	(0.00*)	(0.00*)	(0.00*)
Total (B)	(0.22)	(0.06)	(0.26)	(0.16)
C. Restatement adjustments				
(i) Provision for Gratuity	(18.05)	(13.97)	(11.20)	(7.23)
(ii) Provision for Leave encashment	-	-	(0.74)	(1.69)
(iii) Deferred Tax Adjustments	(0.70)	7.60	0.32	(0.78)
(iv) Provision for Interest on schemes	(63.21)	(59.37)	(57.02)	(34.43)
Total (C)	(81.96)	(65.74)	(68.64)	(44.12)

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
D. Adjustment on account of changes in accounting policies				
(i) Change in method of inventory valuation	-	-	37.78	15.31
(ii) Change in method of depreciation	61.20	44.96	25.01	18.28
Total (D)	61.20	44.96	62.79	33.58
E. Adjustment on account of conversion of partnership firm to Company				
(i) Loan from promoters and others	(405.89)	(543.12)	(630.49)	(577.27)
Total (E)	(405.89)	(543.12)	(630.49)	(577.27)
F. Total impact of adjustments (B+C+D+E)	(426.87)	(563.96)	(636.60)	(587.98)
G. Total equity (shareholders' fund) as restated	1,180.82	840.07	607.38	320.78

*0.00 denotes amounts below the rounding off convention

Notes:

1. There are no adjustments on account of audit qualifications.
2. The above figures are based on Annexure I to Annexure V of the Restated Financial Information.

ANNEXURE VII – RESTATED STATEMENT OF ACCOUNTING RATIOS

Particulars	(Rs. in millions)				
	For the year ended March 31, 2018	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
Earnings per equity share (EPS)					
Basic and Diluted EPS (Rs.)	19.02	16.07	11.72	12.94	7.90
Average Return on Net Worth %	47.77%	47.74%	48.59%	83.71%	94.63%
Net asset value per equity share (Rs.)	36.39	39.35	27.99	20.24	10.69
Weighted average number of equity shares for Basic and Diluted EPS (No's in millions)	30.27	30.01	30.01	30.01	30.01
Net profit after tax, as restated (Rs. in millions)	575.58	482.42	351.68	388.47	236.97
Share Capital (Rs. in millions)	202.62	180.07	180.07	180.07	180.07
Other equity, as restated (Rs. in millions)	1,026.42	1,000.76	660.00	427.31	140.72
Net worth as restated (Rs. in millions)	1,229.05	1,180.82	840.07	607.38	320.78

Notes:

- The ratios on the basis of Restated Financial Information have been computed as below:

$$\text{Basic Earnings per share (Rs.)} = \frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted average number of equity shares}}$$

$$\text{Diluted Earnings per share (Rs.)} = \frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted average number of dilutive equity shares}}$$

$$\text{Average return on net worth (\%)} = \frac{\text{Net profit after tax, as restated}}{\text{Average Net worth, as restated}} * 100$$

$$\text{Net Asset Value (NAV) per equity share (Rs.)} = \frac{\text{Net worth as restated, at the end of the year}}{\text{Number of equity shares outstanding at the end of the year (Refer Note 8)}}$$

$$\text{Net Worth} = \text{Equity share capital} + \text{Other Equity, as restated}$$

2. The above ratios have been computed on the basis of the information in Annexure I to Annexure V of the Restated Financial Information.
3. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.
4. The Company does not have any dilutive potential equity shares. Consequently, the basic and diluted earnings per share of the company remain the same.
5. The Board of Directors of the Company (“**Board of Directors**”) on February 03, 2018 approved a rights issue of 20,00,739 equity shares of Rs. 10 each. Further, on March 04, 2018, the Board of Directors allotted 20,00,739 equity shares at a premium of Rs. 340 per equity share to the existing shareholders of the Company on rights basis in the ratio of 1 equity share for every 9 fully-paid up equity shares held. The shareholders of the Company accorded their consent to the issue and allotment of 255,000 equity shares of Rs 10 each at a premium of Rs. 340 per share, for cash, through private placement on a preferential basis to the proposed allottees at the Extraordinary General Meeting (EGM) held on March 7, 2018. Such equity shares are allotted pari passu with the existing equity shares of the Company.

In view of the above mentioned allotments, the equity share capital of the Company has increased to Rs. 20,26,23,390, as on March 31, 2018.

6. The shareholders of the company, at the EGM held on April 18, 2018, accorded their consent to the issue and allotment of bonus shares in the ratio of 2 equity shares of Rs.10 each, for every 3 equity share of Rs.10 each. The record date for the issue of bonus shares was April 20, 2018. 1,35,08,260 Bonus Equity Shares have been allotted on April 23, 2018 and equity share capital of the company has increased to 3,37,70,599.

As per Ind AS-33, if the number of ordinary or potential ordinary shares outstanding increases as a result of a capitalisation, bonus issue or share split, or decreases as a result of a reverse share split, the calculation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively. If these changes occur after the reporting period but before the financial statements are approved for issue, the per share calculations for those and any prior period financial statements presented shall be based on the new number of shares. Pursuant to the issue of bonus equity shares as mentioned above, the weighted average numbers of shares and consequently the basic and diluted earnings per share have been adjusted in the financial statements for all the periods presented.

7. Average Net worth means average of the opening and closing net worth for the year.
8. Net asset value per equity share also have been adjusted for all the periods presented after giving effect to above mentioned issue of bonus shares.

ANNEXURE VIII – RESTATED STATEMENT OF CAPITALISATION

(Rs. in millions)

Particulars	Pre issue as at March 31, 2017	Pre issue as at March 31, 2018	As adjusted for Issue
Debts			
Non-current financial liabilities (A)			
- Long term borrowings	227.76	436.48	[●]
Current financial liabilities (B)			
- Short term borrowings	1,639.27	2,373.42	[●]
- Current maturities of long term borrowings	23.47	34.78	[●]
Total debts (C=A+B)	1,890.50	2,844.68	[●]
Shareholders' Funds			
Share Capital	180.07	202.62	[●]
Other equity, as restated	1,000.76	1,026.42	[●]
Total Shareholders' funds (D)	1,180.82	1,229.05	[●]
Long term debt / equity (A/D)	0.19	0.36	[●]
Total debt / equity (C/D)	1.60	2.31	[●]

Notes:

- Long term debt / equity has been computed as :

$$\frac{\text{Non-current financial liabilities}}{\text{Total equity (Shareholders' funds)}}$$
- Total debt / equity has been computed as :

$$\frac{\text{Total borrowings}}{\text{Total equity (Shareholders' funds)}}$$
- Short term borrowings represent borrowings due within 12 months from the balance sheet date.
- Long term borrowings represent borrowings due after 12 months from the balance sheet date.
- The figures disclosed above are based on the Restated Statement of Assets and Liabilities of the Company.
- The Company is proposing an Initial public offering by way of a fresh issue.
- The above statement should be read with relevant information in Annexure I to Annexure V of the Restated Financial Information.
- The Board of Directors of the Company (“**Board of Directors**”) on February 03, 2018 approved a rights issue of 20,00,739 equity shares of Rs. 10 each. Further, on March 04, 2018, the Board of Directors allotted 20,00,739 equity shares at a premium of Rs. 340 per equity share to the existing shareholders of the Company on rights basis in the ratio of 1 equity share for every 9 fully-paid up

equity shares held. The shareholders of the Company accorded their consent to the issue and allotment of 255,000 equity shares of Rs 10 each at a premium of Rs. 340 per share, for cash, through private placement on a preferential basis to the proposed allottees at the Extraordinary General Meeting (EGM) held on March 7, 2018. Such equity shares are allotted pari passu with the existing equity shares of the Company.

In view of the above mentioned allotments, the equity share capital of the Company has increased to 20,26,23,390 as on March 31, 2017.

9. Increase in the authorized share capital of the Company from Rs 210 million divided into 21 million equity shares of Rs 10 each, to Rs 300 million divided into 30 million equity shares of Rs 10 each at the EGM held on February 7, 2018. Further, increase in the authorized share capital of the Company from Rs 300 million divided into 30 million equity shares of Rs 10 each, to Rs 600 million divided into 60 million equity shares of Rs 10 each at the EGM held on March 30, 2018.
10. The shareholders of the company, at the EGM held on April 18, 2018, accorded their consent to the issue and allotment of bonus shares in the ratio of 2 equity shares of Rs.10 each, for every 3 equity shares of Rs.10 each. The record date for the issue of bonus shares was April 20, 2018. 1,35,08,260 Bonus Equity Shares have been allotted on April 23, 2018 and equity share capital of the company has increased to 3,37,70,599.

ANNEXURE IX – RESTATED STATEMENT OF TAX SHELTERS

(Rs. in millions)

Particulars	For the year ended March 31, 2018	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
Profit before tax - as restated (A)	805.93	706.98	515.92	582.37	357.54
Tax rate (B)**		34.608%	34.608%	33.990%	33.990%
Tax on profit at statutory income tax rate (C)	264.22	244.67	178.55	197.95	121.53
ADJUSTMENTS					
Tax Impact of Permanent Differences due to:					
Income not chargeable to tax	-	(1.38)	-	-	-
Donations	0.74	0.75	0.72	0.65	0.96
Income chargeable to tax at other rate – Capital gains on sale of investments	(0.08)	(1.37)	-	-	-
Other expense inadmissible as per income tax	3.92	0.68	0.22	3.87	2.34
Total Tax impact on Permanent Difference (D)	4.58	(1.33)	0.95	4.52	3.30
Tax impact on Timing Difference due to:					
Provision for interest on schemes	(10.33)	1.33	0.81	7.68	11.70
Revaluation of inventory	-	-	13.08	(7.64)	(5.20)
Depreciation	(8.64)	(5.62)	(6.91)	(2.29)	(6.21)

Particulars	For the year ended March 31, 2018	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
Provision for Gratuity	1.48	1.33	1.16	0.87	2.57
Provision for Leave encashment	-	-	(0.26)	(0.32)	0.57
Revaluation of FVTCOI investments to fair value	0.01	0.10	(0.06)	0.00*	(0.05)
Expenses disallowed u/s 43B of Income Tax Act, 1961	1.27	(0.26)	0.78	3.58	-
Other expenses admissible for partnership firm/company	(24.19)	(24.05)	(16.38)	(9.83)	(8.31)
Total Tax impact of Timing Difference (E)	(40.40)	(27.17)	(7.79)	(7.95)	(4.93)
Net Adjustment F= (D+E)	(35.82)	(28.49)	(6.84)	(3.43)	(1.63)
Tax Liability G = (C-F)	228.40	216.18	171.71	194.52	119.90
As per Restated Statement of Profit and Loss					
Current tax	228.40	216.18	171.71	194.52	119.90

*0.00 denotes amounts below the rounding off convention

** Tax Rate for the year ended March 31, 2018 comprise of two different tax rates i.e. 34.608% for erstwhile firm and 29.613% for the Company, post conversion.

Notes:

1. The permanent and temporary differences for financial years ended March 31, 2017, 2016, 2015 and 2014 have been computed based on the tax computations of the income tax returns for the respective years.
2. Tax rate includes applicable surcharge, education cess and secondary and higher education cess for the respective year concerned.
3. The aforesaid Restated Statement of Tax Shelter has been prepared as per Annexure I to Annexure V of the Restated Financial Information.

FINANCIAL INDEBTEDNESS

Our Company avails loans in the ordinary course of business for the purposes of capital expenditure, working capital and other business requirements. For the Issue, our Company has obtained the necessary consents required under the relevant loan documentation for undertaking activities, *inter alia* change in our board of directors, change in our capital structure, change in our shareholding pattern and change in our constitution.

Our Company has, pursuant to an EGM held on February 7, 2018, authorised our Board to borrow sums of money for the purpose of our Company with or without security, which together with the monies borrowed by our Company (apart from the temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business) shall not exceed the amount of ₹ 10,000 million at any point of time.

Set forth below is a brief summary of our consolidated borrowings as of March 31, 2018:

(in ₹ million)		
Category of borrowing	Sanction Amount	Outstanding
Long Term (A)		
Secured Loans	525.00	471.26
Unsecured Loans	-	-
Short Term (B)		
Secured Loans	2,700.00	2,119.85
Unsecured Loans	-	253.56
Total (A+B)	3,225.00	2,844.67

For further details of outstanding borrowings, please see “*Financial Information*” on page 162.

Principal terms of the borrowings availed by us:

- (a) **Interest:** In terms of the term loans and fund based working capital facilities availed by us, the interest rate is typically linked to the base rate of the lender and ranges from 7.65% to 11.25% per annum and is also subject to determination at the time of disbursement for some of the facilities.
- (b) **Tenure:** The tenure of the term loans availed by us ranges from 2.5 to 7 years and tenor of working capital facilities is typically 12 months, with an option of renewal every 12 months and the term of other loan facilities availed by us ranges from fifteen days to nine years.
- (c) **Prepayment Penalty:** Some of the facilities availed by our Company carry a pre-payment penalty of up to two% -three% on the pre-paid amount.
- (d) **Penal Interest:** The terms of facilities availed by our Company prescribe penalties for delayed payment or default in the repayment obligations of our Company, delay in creation of the stipulated security or certain specified obligations, which typically ranges from two% to three% of the outstanding amount.
- (e) **Security:** The working capital borrowings are secured by way of hypothecation on first charge ranking *pari passu* on all current, assets both present and future, lien on fixed deposits, mortgage on fixed assets and further collaterally secured by personal guarantee of our Promoter, Govind Gadgil.

This is an indicative list and there may be additional requirements for creation of security under the various borrowing arrangements entered into by us.
- (f) **Re-payment:** The working capital facilities are typically repayable on the last business day of the term of the facility. The repayment period for term loans will be in one year.
- (g) **Events of Default:** Borrowing arrangements entered into by our Company contain standard events of default, including:
 - Default in payment of dues,
 - Non-compliance with the terms and conditions under the facility,

- Any representation, warranty or statement deemed to be incorrect or misleading by the relevant bank,
- Any event likely to cause material adverse change in the financial, prospect or operations of our Company,
- Any seizure, nationalisation or expropriation of the assets of the company,
- Any change in the material ownership structure of the company,
- Any cross default to other material agreements.

This is an indicative list and there may be additional events of default under the various borrowing arrangements entered into by us.

Our Company is required to ensure that the aforementioned events of default and other events of default, as specified under the various binding documents and agreements entered into by our Company for the purpose of availing of loans, are not triggered.

(h) Borrowing arrangement entered into by our own Company contain restrictive covenants such as:

Prior permission of the bank is typically required for:

- Any additional borrowing in our Company,
- Undertaking any further capital expenditure except by being funded by the own resources of our Company,
- Effecting any change in the shareholding pattern and management control in our Company,
- Diversification in non-core areas viz. business other than the current business of our Company,
- Undertaking guarantee obligations or extending letter of comfort, on behalf of any other company or person or trust.
- Investing in or advancing loans to any group companies/associates/subsidiaries/third party,
- Repayment of any subordinated loans availed by the Company from the Directors or group companies,
- Effecting any dividend pay-out or capital withdrawal, in case of delay in debt servicing or breaching financial covenants,
- Selling/assigning/mortgaging any fixed assets of our Company,
- Creating or allowing to exist any encumbrance or security over assets specifically charged to the relevant lender.

Immediate intimation to bank in case of any:

- Proposed change in the ownership, management or control of our Company and the relevant bank has the right to review its facility in case of any such change.
- Substantial impact on the profit from the business of our Company.
- Any change in the shareholding of our Promoters.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey management's perspective on our financial condition and results of operations for the Fiscals 2018, 2017 and 2016.

The following discussion and analysis of our financial condition and results of operations are based on our Restated Financial Information, including the related notes and reports, which are prepared and presented in accordance with Ind AS, in each case restated in accordance with the requirements of Section 26 of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules 2014, as amended, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectus (Revised 2016)" issued by the ICAI.

This discussion contains certain forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, such as the risks set forth in the chapters entitled "Risk Factors" and "Forward Looking Statements" on pages 17 and 16, respectively of this Draft Red Herring Prospectus.

Overview

We are one of the leading and trusted retail jewellery companies in Maharashtra. The legacy of the "P. N. Gadgil" brand traces back over six generations to the year 1832. Prior to the incorporation of our Company in the year 2017, consequent to its conversion from the Erstwhile Partnership Firm, the current business was carried on by our Promoters in the name of such Erstwhile Partnership Firm.

Our offerings include gold jewellery, silver jewellery, idols and other silverware, diamonds and diamond jewellery and other gemstones jewellery and related gift items. We have the ability to create localised product mixes in our stores to suit regional tastes. We cater to our customers' unique preferences, through our understanding of the regional market, as well as region-specific advertising and marketing campaigns.

We offer a wide range of products from jewellery for special occasions such as weddings and festivals to daily-wear jewellery for all ages, genders and across various price points. We cater to a variety of customers across high-end market, mid-market and value market segments and our products are designed by our in-house team of creative designers allowing us to manage a large and diverse portfolio of designs. We have a dedicated design team, focused on developing new products and designs that meet customers' requirements. We also customise jewellery for individual needs. We engage artisans and contract manufacturers to manufacture our jewellery.

As on March 2018, we are the 2nd largest in terms of the store count in Maharashtra (*Source: CRISIL Report*). Our stores are divided into three formats, primarily on account of the size of the store, namely 11 'large format stores' (above 3,500 sq. ft. of built up area), six 'medium-format stores' (above 2,200 sq. ft. of built area up to 3,500 sq. ft. of built up area) and eight 'small-format stores' (above 1,000 sq. ft. of built up area up to 2,200 sq. ft. of built up area). As of March 31, 2018, we have 23 stores in Maharashtra and one store in Gujarat and Karnataka each, with an aggregate built-up area of 100,213 sq. ft. For efficient management and operations, our Company has divided its stores into three separate zones as per our zonal model, namely Pune-zone, Nashik-zone and Solapur-zone. Our store network has also increased from two stores as on April 1, 2012 to 25 stores as on March 31, 2018. We further intend to expand our footprint by increasing our store count to 29 by end of FY2019 and 40 by end of FY2020. All of our stores are operated and managed by us. We also sell our products through our online platform at www.onlinepng.com.

We have implemented quality control practices across the value chain to ensure that we sell hallmarked gold jewellery up to 22 karats in line with the quality and purity metrics prescribed by BIS. All diamond jewellery that we sell is certified by IGI and loose diamonds that we sell are certified by GIA. Further, various quality control practices are followed during the designing and manufacturing of our jewellery.

Our business has grown rapidly in recent years. Following table sets forth our revenue details as per product category in last three Fiscals:

Revenue from Operations from the Sale of	Fiscal 2018		Fiscal 2017		Fiscal 2016	
	Amount (₹ million)	% of Total Revenue from Operations	Amount (₹ million)	% of Total Revenue from Operations	Amount (₹ million)	% of Total Revenue from Operations
Gold jewellery	15,121.06	82.32	12,966.95	83.87	14,386.09	86.98
Silver utensils, silver idols and silver ware	777.80	4.23	696.93	4.51	818.89	4.95
Diamonds and diamond jewellery	588.64	3.20	362.63	2.35	9.69	0.06
Platinum jewellery	13.83	0.08	8.91	0.06	0.10	0.00
Making charges	1987.22	10.82	1,512.33	9.78	1,392.44	8.42
(Discount)	(121.03)	(0.66)	(87.65)	(0.57)	(67.27)	(0.41)
Total revenue from operations	18367.52	100.00	15,460.10	100.00	16,539.94	100.00

Between Fiscal 2014 and Fiscal 2018, our total revenue grew at a CAGR of 12.20% from ₹ 11,591.90 million for Fiscal 2014 to ₹ 18,367.52 million for Fiscal 2018, EBITDA grew at a CAGR of 18.76% from ₹ 572.38 million for Fiscal 2014 to ₹ 1,138.70 million for Fiscal 2018 and our PAT grew at a CAGR of 24.84% from ₹ 236.97 million for Fiscal 2014 to ₹ 575.58 million for Fiscal 2018.

Principal Factors Affecting Our Financial Condition and Results of Operations

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled “*Risk Factors*” beginning on page 17. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

Brand image and changing consumer preferences

We believe that “*P. N. Gadgil*” is a trusted jewellery brand amongst customers owing to the quality and purity of our products. The legacy of the “*P. N. Gadgil*” brand traces back over six generations to the year 1832. We believe that our history of providing customers with transparency in the purchase process of jewellery, and the quality and purity of our products has helped us in associating ourselves with trust and transparency in the minds of our customers. We undertake numerous marketing efforts to promote our brand image including engaging in regional advertising campaigns in the specific markets in which we operate. For the Fiscals 2018, 2017 and 2016, our marketing expenditures amounted to 0.78%, 0.79% and 0.67% of our total revenue from operations for such periods, respectively. For further details on our marketing and promotion efforts, see “*Our Business*” on page 119.

The jewellery industry is subject to changing consumer demands and preferences. In order to compete effectively in our industry, we must be able to anticipate, identify and respond to changing industry trends, consumer demands and preferences failing which our results of operations may be adversely affected. In line with the above, we have been launching various collections of jewellery every year.

Number, size, location and scalability of stores

Our results of operations are dependent on the number, size and location of, and sales from our stores. We have an extensive network across Maharashtra. We also have presence in adjoining states of Gujarat and Karnataka. Our network is designed to be more scalable and more cost-efficient.

The Company has implemented a zonal model to measure performance at zonal level, pursuant to which our stores have been divided into three zones namely Pune, Nashik and Solapur.

We follow the zonal model wherein the zonal heads look after the decisions relating to marketing, inventory management and human resource for their respective zones, with the corporate policy level decision continuing to be vested with our Pune office. As of March 31, 2018, we have 25 stores comprising of 23 stores in Maharashtra

and one store in Gujarat and Karnataka each. The expansion of our store network has been a significant factor in increase of our overall sales volume and growth in profitability, in recent years. We intend to continue to open additional stores as we expect significant opportunity for further penetration in our existing markets as well as in new markets in Maharashtra and / or adjoining states. The following table provides a breakdown of our revenue for the Fiscals 2018, 2017 and 2016 vis-à-vis growth in number of branches in the last three Fiscals:

(₹ in million)

Fiscal	Number of stores	Total Revenue
2018	25	18,367.52
2017	16	15,460.10
2016	13	16,539.94

Our store expansion efforts entail incurring capital expenditure towards the stores, additional operational costs, including that of employees and rental expense for leased space and marketing and promotional expenses for proposed new stores and the relevant new markets that we enter. Our ability to profitably expand our store network is dependent on our ability to efficiently manage corresponding increase in expenditures. However, our primary investment in proposed new stores consists of inventory, which, being a commodity, largely does not suffer from obsolescence and can be relatively easily transferred to other stores, reducing the overall risk of opening proposed new stores. As we further penetrate into existing markets, we expect to be able to leverage our previous expenses towards marketing and corporate overhead towards proposed new stores.

The success of these expansion plans is however subject to various contingencies, including identification of suitable locations for additional stores, obtaining new leases on suitable terms and conditions and other risks associated with commencing operations in a new market, including local competition. In addition, proposed new stores generally record lower sales in initial phase compared to more established stores, and these proposed new stores will only contribute to sales for part of the fiscal period in which they are opened. Our future results of operations will therefore also depend on the timing of opening of these proposed new stores and how quickly each store is able to increase sales to a level that enables such store to become profitable.

Cost and availability of gold, silver, diamonds and other materials

We purchase gold, silver, precious stones and other materials for the manufacturing of jewellery. We also purchase manufactured jewellery for resale. If the cost of materials increases, our results of operations will be adversely affected. While we purchase gold bars and silver bars from authorised bullion dealers and banks and scrap gold across the counter and purchase diamonds from sightholders who are authorized bulk purchasers of rough diamonds and listed with the De Beers Global sightholder sales list, we do not have any long-term or exclusive contracts with our suppliers and vendors. If we are unable to source gold, silver and diamonds from existing suppliers or locate new suppliers, our operations would be adversely affected.

Product mix

We manufacture and sell a wide range of gold jewellery products, from daily-wear jewellery, to special occasion jewellery such as weddings and festivals, along with silver utensils, idols and silver wares, diamond and diamond jewellery and other gemstones jewellery and related gift items. Our products have presence across all age groups and across all price points attracting a diverse customer base. Changes in the relative mix of gold jewellery, silver jewellery and other jewellery products including diamonds have had and will continue to have an impact on our financial condition and results of operations.

The following table provides a breakup of our revenue for the Fiscals 2018, 2017 and 2016 by product category:

Revenue from Operations from the Sale of	Fiscal 2018		Fiscal 2017		Fiscal 2016	
	Amount (₹ million)	% of Total Revenue from Operations	Amount (₹ million)	% of Total Revenue from Operations	Amount (₹ million)	% of Total Revenue from Operations
Gold jewellery	15,121.06	82.32	12,966.95	83.87	14,386.09	86.98
Silver utensils, silver idols and silver ware	777.80	4.23	696.93	4.51	818.89	4.95

Revenue from Operations from the Sale of	Fiscal 2018		Fiscal 2017		Fiscal 2016	
	Amount (₹ million)	% of Total Revenue from Operations	Amount (₹ million)	% of Total Revenue from Operations	Amount (₹ million)	% of Total Revenue from Operations
Diamonds and diamond jewellery	588.64	3.20	362.63	2.35	9.69	0.06
Platinum jewellery	13.83	0.08	8.91	0.06	0.10	0.00
Making charges	1987.22	10.82	1,512.33	9.78	1,392.44	8.42
Discount	(121.03)	(0.66)	(87.65)	(0.57)	(67.27)	(0.41)
Total revenue from operations	18367.52	100.00	15,460.10	100.00	16,539.94	100.00

Our broad product range allows us to cater to customers across age groups and socio-economic status levels. Furthermore, our jewellery is aimed at catering to local preferences, and we use local artisans as contract manufacturers to manufacture jewellery as per the designs and style that align with local tastes.

Competition

The Indian retail jewellery industry is highly fragmented and dominated by the unorganized sector from which the organized retail jewellery sector faces intense competition. Many of our competitors from the un-organized sector are strong players in their local areas. We also compete against organised national, regional and local players. Success of our operations depends on our ability to effectively compete, including by continuing to differentiate our brand and products from competition by maintaining our brand perception centred around the values of trust and transparency and also localizing our product assortment and marketing campaigns to cater to local preferences in the markets in which we operate. For further details, see “*Our Business – Competition*” on page 128.

Availability of working capital to finance inventory and running store operations

Our business requires a substantial amount of working capital, primarily to finance our inventory. As of March 31, 2018, we had outstanding indebtedness of ₹ 2,844.68 million. Any fluctuations in interest rates may directly impact the interest costs of such loans and, in particular, any increase in interest rates could adversely affect our results of operations. Furthermore, our indebtedness means that a material portion of our expected cash flow may be required to be dedicated to the payment of interest on our indebtedness, thereby reducing the funds available to us for use in our general business operations. In addition, our existing level of indebtedness may also restrict our ability to obtain additional financing for capital expenditures, expansions or general corporate purposes and may cause us to be particularly vulnerable during any general economic downturn.

Furthermore, on December 30, 2010, the RBI issued a circular advising banks to classify jewellers as “high risk” and requiring banks to apply enhanced due diligence measures before granting loans to jewellery companies. Such developments could make it difficult for us to secure financing on acceptable terms.

Seasonality

Our industry has seasonal increases and decreases in revenues and profitability, corresponding with weddings and festivals. Our business usually sees an uptick during the third quarter and fourth quarter corresponding with the festivals and wedding season in India. Consequently, lower than expected net sales during any third or fourth quarters or more pronounced seasonal variations in sales in the future could have a disproportionate impact on our operating results for the year or could strain our resources and impair cash flows. Any slowdown in demand for our jewellery during peak season or failure by us to accurately foresee and prepare for such seasonal fluctuations could have a material adverse effect on our business, financial condition and results of operations. The effect of seasonality and festivities on our business is expected to further decrease with greater geographical diversification.

General economic conditions

Jewellery purchases are discretionary in nature and the success of our business depends to a significant extent upon a number of factors affecting discretionary consumer spending in India. These factors include economic conditions and perceptions of such conditions by consumers, employment rates, the level of consumers’

disposable income, business conditions, interest rates, consumer debt levels, availability of credit and levels of taxation in regional and local markets in India where we sell our products.

Critical Accounting Policies

Basis of Preparation and Presentation

Basis of Preparation

The Restated Statement of Assets and Liabilities of the Company as at the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014, the Restated Statement of Profit and Loss and Other Comprehensive Income, the Restated Statement of Changes in Equity and the Restated Statement of Cash flows for the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014 and Other Financial Information (together referred as 'Restated Financial Information') have been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 to the extent applicable.

In preparing these Restated Financial Information, the Company has considered April 1, 2016 as the date of transition and the Company has opted to voluntarily present the Restated Financial Information for the period ended March 31, 2015 and 2014. Accordingly, suitable restatement adjustments (both re-measurements and re-classifications) in the accounting heads are made to the financial statements, following accounting policies and accounting policy choices (both mandatory and optional exemptions) consistent with that used at the date of transition to Ind AS. The basis of preparation for specific items where exemptions have been applied is mentioned in Note on First-time adoption of Ind AS.

The financial statements of the erstwhile partnership firm for the period up to November 6, 2017 and for the financial years ended March 31, 2017, March 31, 2016, March 31, 2015, and March 31, 2014, have been revised by the Company to conform to the format prescribed for companies under the Companies Act, 2013 in accordance with Ind AS notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (the "**Re-casted Financial Statements**").

These Re-casted Financial Statements have been audited by the statutory auditors of the Company, Shah & Taparia, Chartered Accountants, for the period up to November 6, 2017 and financial years ended March 31, 2017, March 31, 2016, March 31, 2015, and March 31, 2014; additionally they are also the first auditors of the newly incorporated Company and have audited the first financial statements of the Company prepared for the period from November 6, 2017 to March 31, 2018 (collectively, the "**Audited Financial Information**").

These audited financial statements form the basis of preparation of the Restated Financial Information for the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014, to be included in the draft red herring prospectus, red herring prospectus and prospectus (collectively, the "**Offer Documents**"). All references made to the Company for the period when it was the erstwhile partnership firm are solely for the purpose of the Issue and reference in the Offer Documents.

In the Restated Financial Information:

- there were no audit qualifications;
- there were no change in accounting policies during the years of these financial statements;
- material amounts relating to adjustments for previous years in arriving at profit / loss of the years to which they relate, have been appropriately adjusted;
- adjustments were made for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the financial statements of the Company as at and for the year ended March 31, 2018 prepared under Ind AS and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "ICDR Regulations");
- the resultant tax impact on above adjustments has been appropriately adjusted in deferred taxes in the respective years to which they relate.

The Restated Financial Information are presented in Indian Rupees in millions, rounded off to two decimal places, except where otherwise indicated. All references to previous GAAP in the Restated Financial Information refer to accounting principles applicable to a partnership firm as per the Income Tax Act, 1961 ("Previous GAAP"). Further, previous years' figures have been reclassified / regrouped wherever necessary.

The Restated Financial Information have been prepared by the Management of the Company in connection with the proposed listing of equity shares of the Company by way of an Initial Public Offering, to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), Registrar of Companies, Pune ("ROC") and the National Stock Exchange of India Limited and BSE Limited (the "Stock Exchanges") in accordance with the requirements of:

a) Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the Companies Act, 2013; and

b) The ICDR Regulations issued by the SEBI on August 26, 2009, as amended, in pursuance of provisions of Securities and Exchange Board of India Act, 1992 read along with SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 2016 (together referred to as the "SEBI Regulations").

The Restated Financial Information were approved by the Board of directors of the Company on April 18, 2018.

Significant accounting judgments, estimates and assumptions

The preparation of the Company's Restated Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Restated Financial Information were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments

Taxes

Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans

The cost of defined benefit plans like gratuity and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Current versus non-current classification

The Company presents assets and liabilities in the Restated Statement of Assets and Liabilities based on current or non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when it is:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

Functional and presentation currency

Items included in the Restated Financial Information of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Restated Financial Information is presented in Indian currency (INR), which is the Company's functional and presentation currency.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognized.

Sale of goods and income from making charges

Revenue from the sale of goods and making charges is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of trade discounts.

Sales tax / Value Added Tax (VAT) or Goods and Service Tax (GST) (as applicable) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue. However, revenue is recorded including excise duty applicable on sale of jewellery.

Interest income

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

Dividends

Revenue is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Taxes

Taxes comprise current income tax and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized outside profit or loss are recognized outside the Restated Statement of Profit or Loss, either in other comprehensive income or in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets (including MAT credit entitlement, if any) are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses if any. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

At each reporting date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become probable that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer probable that sufficient future taxable income will be available against which deferred tax asset can be realized.

Deferred tax relating to items recognized outside profit or loss is recognized either in other comprehensive income or in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales / Value Added Taxes or GST paid on acquisition of assets or on incurring expenses

Expenses and assets are recognized net of the amount of Sales Tax / Value Added Taxes (VAT) or Goods and Service Tax (GST) paid (as applicable), except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Property, plant and equipment

On transition to Ind AS, the Company has elected to continue with the gross carrying value of all of its property plant and equipment recognized as at April 1, 2016, measured as per the previous GAAP, and has recomputed accumulated depreciation as per the requirements of the Companies Act, 2013 and Ind AS 16 “Property, plant, and equipment”.

For the purpose of Restated Financial Information for the financial years ended March 31, 2018, 2017, 2016, 2015, and 2014 the Company has provided depreciation based on the estimated useful life of respective years and as the change in estimated useful life is considered as change in estimate, accordingly there is no impact of this roll back.

Capital work in progress is stated at cost less impairment.

Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, cost of replacing part of the plant and equipment and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

The Company identifies and determines cost of each component / part of the asset separately, if the component / part have a cost which is significant to the total cost of the assets and has useful life that is materially different from that of the remaining asset.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of tangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Depreciation on property, plant and equipment

The Company was a partnership firm till November 6, 2017 and followed the written down value method of depreciation as per provisions of Income-tax Act, 1961. However, on conversion to a public limited Company and for the purpose of the Restated Financial Information, the Company has elected to follow the straight-line method (SLM) of depreciation as specified and permitted by the Companies Act, 2013.

Under this method, the estimated useful lives, as specified in Schedule II of the Companies Act, 2013 are as follows:

Block of Asset	Useful Life Considered (SLM)				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Building	30 / 60 Years	30 / 60 Years	30 / 60 Years	30 / 60 Years	30 / 60 Years
Office Equipment	5 Years	5 Years	5 Years	5 Years	5 Years
Furniture and Fixtures	10 Years	10 Years	10 Years	10 Years	10 Years
Electrical Installations	10 Years	10 Years	10 Years	10 Years	10 Years
Vehicles	8 / 10 Years	8 / 10 Years	8 / 10 Years	8 / 10 Years	8 / 10 Years
Computers	3 / 6 Years	3 / 6 Years	3 / 6 Years	3 / 6 Years	3 / 6 Years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate.

Intangible assets

On transition to Ind AS, the Company has elected to continue with the gross carrying value of all of its intangible assets recognized as at April 1, 2016, measured as per the previous GAAP, and has recomputed accumulated amortization as per the requirements of the Companies Act, 2013 and Ind AS 38 “Intangible Assets”.

For the purpose of the Restated Financial Information for the financial year ended March 31, 2018, 2017, 2016, 2015 and 2014, the Company has provided the amortisation based on the estimated useful life of respective years and as the change in estimated useful life is considered as change in estimate, accordingly there is no impact of this roll back.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Amortization of intangibles

The useful lives of intangible assets are assessed as 10 years, and the same shall be amortized on a straight-line basis over its useful life.

Investment Properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

Borrowing costs

Borrowing cost includes interest and ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing cost directly attributable to the acquisition, construction or production of an assets that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the

respective asset until such time that the assets are substantially ready for their intended use. All other borrowing costs are expensed in the period they occur.

Borrowing cost is calculated as per the Effective Interests Rate (EIR) method. It is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial liability or a shorter period, where appropriate, to the amortized cost of a financial liability after considering all the contractual terms of the financial instrument.

Share based payments

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments Reserve.

Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Where the Company is the lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are classified as operating lease.

Contingent rentals are recognized as expenses in the periods in which they are incurred.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term unless either:

- (a) another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis, or
- (b) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases; if payments to the lessor vary because of factors other than general inflation, then this condition is not met.

Inventories

Inventory is valued at lower of cost and net realizable value. Inventory of the Company includes stock physically present at its stores and held with goldsmiths and excludes customers' stock in the custody of the Company.

Cost of inventories comprises all costs of purchase and, other duties and taxes (other than those subsequently recoverable from tax authorities), costs of conversion and all other costs incurred in bringing the inventory to their present location and condition. Cost is determined on weighted average basis. Initial cost of inventories includes the gains and losses on forward contracts entered into for covering the price fluctuation exposure in respect of the purchases of the underlying assets.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Provisions, Contingent liabilities and Contingent assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Provisions are reviewed at each reporting date and adjusted to reflect the current best management estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company, or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the Restated Financial Information.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the Restated Financial Information. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the Restated Financial Information of the period in which the change occurs. If an inflow of economic benefits has become probable, an entity discloses the contingent asset.

Retirement and other employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are the amounts expected to be paid when the liabilities are settled. Short term employee benefits are recognized in Restated Statement of Profit and Loss in the period in which the related service is rendered. The liabilities are presented as current liability in the Restated Statement of Assets and Liabilities.

Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined contribution plans such as provident fund and
- (b) defined benefit plans such as gratuity

- *Defined contribution plans - Provident fund*

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the year end date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the year end date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

- *Defined benefit plans – Gratuity obligations*

Retirement benefit in the form of gratuity is a defined benefit scheme. Gratuity liability of employees is accounted for on the basis of actuarial valuation on projected unit credit method at the close of the year. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability, are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

- *Other employee benefit obligations*

The Company presents the entire balance of accumulated leaves as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in the following categories:

- Debt instruments at amortized cost
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)
- *Debt instruments at amortized cost*

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Restated Statement of Profit and Loss. The losses arising from impairment are recognized in the profit or loss.

- *Debt instrument at FVTPL*

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as at FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

- *Equity investments*

All equity investments in scope of Ind AS 109 "Financial Instruments" are measured at fair value. The Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value in case of equity investments which are not held for trading. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Reclassification

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains / losses attributable to changes in own credit risk is recognized in OCI. These gains / losses are not subsequently transferred to Profit & Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit and loss.

- *Loans and borrowings*

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Fair value measurement

The Company measures financial instruments, such as, investments in mutual funds and equity shares at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
 - In the absence of a principal market, in the most advantageous market for the asset or liability.
- The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Restated Financial Information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - This hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, exchange traded funds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing Net Assets Value (NAV). NAV represents the price at which the issuer will issue further units and will redeem such units of mutual fund to and from the investors.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between levels 1 and 2 during the period. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy level as at the end of reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

Measurement of EBITDA

The Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit / (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

Earnings per share

Basic EPS is calculated by dividing the profit for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Principal Components of Statement of Profit and Loss

Income

Our income comprises (i) revenue from operations and (ii) other income.

Revenue from Operations

Our revenue from operations includes revenue from the sale of products, consisting of revenue from the sale of products including gold, silver, diamond, platinum and making charges received which is partially offset by cash discount, rebate and incentives offered by our Company.

Other income

Our other income primarily consists of (i) interest income on deposits with banks, on security deposits and on others, (ii) other non-operating income including commission income, facility charges received, profit on sale of investments, profit on sales of assets and other income.

Expenses

Our expenses consist of (i) cost of goods sold, (ii) excise duty/ GST on the sales, (iii) employee benefit expense, (iv) and other expenses, (v) finance cost, and (vi) depreciation and amortization.

Cost of Goods Sold

Our cost of sales consists of raw material and component costs, making charges, hallmarking charges, packing charges and melting charges.

Excise Duty on the Sales

This includes excise duty paid by our Company on sale of products including gold, gold (MRP), silver, diamond, platinum, colour stones.

Employee Benefit Expense

Employee benefit expense consists of (i) salaries and bonus, (ii) contributions to provident and other funds, (iii) Directors' remuneration (iv) gratuity expense (v) leave encashment expense and (vi) staff welfare expenses.

Other Expenses

Other expenses primarily consist of expenses related to rent, advertisement expense, repairs and maintenance, rates and taxes and credit card commission, among others.

Finance Cost

Finance costs consist of (i) interest cost on cash credit, term loans, schemes, gold metal loan, loan from Promoters and on others (ii) others including bank commission charges.

Depreciation and Amortization

Depreciation and amortisation expense consists of depreciation and amortisation costs of tangible and intangible assets.

Summary Results of Operations

The following table sets forth select financial data from our statement of profit and loss for the Fiscals 2018, 2017 and 2016, the components of which are also expressed as a percentage of total revenue for such periods.

Particulars	For Fiscal 2018		For Fiscal 2017		For fiscal 2016	
	Amount in ₹ Million	% age of total Revenue	Amount in ₹ Million	% age of total Revenue	Amount in ₹ Million	% age of total Revenue
INCOME						
Revenue from operations	18,367.52	99.91	15,460.10	99.77	16,539.94	99.83
Other Income	16.37	0.09	34.98	0.23	29.00	0.17
Total Income	18,383.89	100.00	15,495.08	100.00	16,568.94	100.00
EXPENDITURE						
Cost of goods sold	16,364.62	89.02	13,730.03	88.61	15,130.24	91.32
Excise duty on sale of goods	42.80	0.23	116.82	0.75	-	-
Employee benefits expenses	367.80	2.00	303.57	1.96	299.12	1.81
Finance Costs	267.04	1.45	246.07	1.59	248.80	1.50
Depreciation & Amortization Expenses	65.72	0.36	53.72	0.34	43.42	0.26
Other Expenses	469.97	2.56	338.34	2.18	331.43	2.00
Total Expenditure	17,577.95	95.62	14,788.10	95.44	16,053.01	87.32
Profit before tax	805.93	4.38	706.98	4.56	515.92	3.11
Tax expense:						
Current Tax	228.40	1.24	216.18	1.40	171.71	1.04
Deferred Tax	1.95	0.01	8.38	0.05	(7.47)	(0.05)
Total Tax expense	230.35	1.25	224.56	1.45	164.24	0.99
Profit/ (Loss) for the year	575.58	3.13	482.42	3.11	351.68	2.12
Re-Measurement gains/ (losses) on defined benefit plans	1.49	0.01	(0.25)	(0.00)	0.58	0.00
Income tax effect	(0.45)	(0.00)	0.09	0.00	(0.20)	(0.00)
Other Comprehensive Income, net of tax	1.05	0.01	(0.16)	(0.00)	0.38	0.00
Total Comprehensive Income for the year	576.63	3.14	482.26	3.11	352.06	2.12
EBITDA (Restated earnings before interest, tax, depreciation and amortization)	1,138.70	6.19	1,006.32	6.49	808.14	4.88

Fiscal 2018 Compared to Fiscal 2017

Our total income increased by 18.64% to ₹ 18,383.89 million for Fiscal 2018 compared to ₹ 15,495.08 million for Fiscal 2017.

Our revenue from operations increased primarily due to an increase in sale of goods by 18.81%, to ₹ 18,367.52 million for Fiscal 2018 compared to ₹ 15,460.10 million for Fiscal 2017. This increase was primarily driven by increase in number of stores.

Our other income decreased by 53.20% to ₹ 16.37 million for Fiscal 2018 compared to ₹ 34.98 million for Fiscal 2017. This decrease was primarily due to fall in profit on sale of investments.

Expenses

Our total expenses increased by 18.95% to ₹ 17,577.95 million for Fiscal 2018 compared to ₹ 14,778.10 million for Fiscal 2017. This increase was in line with growth of our revenue.

Cost of Goods Sold

Our cost of goods sold increased by 19.19% to ₹ 16,364.62 million for Fiscal 2018 compared to ₹ 13,730.03 million for Fiscal 2017. This increase was in line with growth of our revenue.

Excise Duty on Sale of Goods

We paid an excise duty on the sale of our goods in Fiscal 2017 for an amount of ₹ 116.82 million. Excise duty was applicable up to June 30, 2017 and we paid an excise duty of ₹ 42.80 million up to June 30, 2017. Excise duty is no longer applicable following the implementation of a national goods and service tax (“GST”) on July 1, 2017.

Employee Benefit Expenses

Our employee benefit expense increased by 21.16% to ₹ 367.80 million for Fiscal 2018 compared to ₹ 303.57 million for Fiscal 2017. This increase was primarily due to increase in employee salaries and directors remuneration and increase in overall headcount due to increase in number of stores.

Finance Costs

Our finance costs increased by 8.52% to ₹ 267.04 million for Fiscal 2018 compared to ₹ 246.07 million for Fiscal 2017. This increase was primarily due to an increase in our borrowings consequent to increase in inventory.

Depreciation and Amortisation Expense

Our depreciation and amortisation expense increased by 23.37% to ₹ 65.72 million for Fiscal 2018 compared to ₹ 53.27 million for Fiscal 2017. This increase was primarily due to additions made to our property, plant and equipment as a result of increase in number of stores.

Other Expenses

Our other expenses increased by 38.90% to ₹ 469.97 million for Fiscal 2018 compared to ₹ 338.34 million for Fiscal 2017. Some of the key factors leading to increase in expenditure is listed out below:

- An increase in our advertisement expenses by ₹ 21.50 million in Fiscal 2018, which represented a 17.56% increase, as compared to Fiscal 2017. Our advertisement expenses increased due to increase in number of our stores.
- An increase in cost towards repairs and maintenance by ₹ 11.06 million in Fiscal 2018 which represented a 34.14% increase, as compared to Fiscal 2017. The repairs and maintenance increased due to renovation of our old stores and increase in number of our stores.
- An increase in cost towards rent paid by us by ₹ 19.08 million in Fiscal 2018 which represented a 33.48% increase, as compared to Fiscal 2017. The expenditure towards rent increased primarily due to increase in number of our stores.

Profit / Loss Before Tax

As a result of the foregoing factors, our profit before tax increased by 14.00% to ₹ 805.93 million for Fiscal 2018 compared to a profit of ₹ 706.98 million for Fiscal 2017.

Tax Expense / Benefit

Our tax expense increased to ₹ 230.35 million for Fiscal 2018 compared to a tax expense of ₹ 224.56 million for Fiscal 2017. This increase was primarily due to an increase in our taxable income and increase in profit before tax.

Profit / Loss for the Period/ Year

As a result of the foregoing factors, our profit for the period increased by 19.31% to ₹ 575.58 million for Fiscal 2018 compared to a profit of ₹ 482.42 million for Fiscal 2017.

Fiscal 2017 Compared to Fiscal 2016

Our total income decreased by 6.48% to ₹ 15,495.08 million for Fiscal 2017 compared to ₹ 16,568.93 million for Fiscal 2016.

Our revenue from operations decreased primarily due to a decrease in our revenue from the sale of goods by 6.53%, to ₹ 15,460.10 million for Fiscal 2017 compared to ₹ 16,539.93 million for Fiscal 2016. This decrease was primarily driven by introduction of 1% excise duty on non-silver jewellery items, including gold & diamond jewellery due to which the jewellers across the country were on 21 days strike and restricted cash availability during demonetisation which impacted the industry, with consumers curtailing their expenses.

Our other income increased by 20.62% to ₹ 34.98 million for Fiscal 2017 compared to ₹ 29.00 million for Fiscal 2016. This increase was primarily due to increase in profit on sale of investment which includes profit derived out of the mutual fund investment and profit derived from derivatives.

Expenses

Our total expenses decreased by 7.94% to ₹ 14,778.10 million for Fiscal 2017 compared to ₹ 16,053.01 million for Fiscal 2016.

Cost of Goods Sold

Our cost of goods sold decreased by 9.25% to ₹ 13,730.03 million for Fiscal 2017 compared to ₹ 15,130.24 million for Fiscal 2016. This was primarily due to decrease in sales in Fiscal 2017.

Excise Duty on Sale of Goods

We paid an excise duty on the sale of our goods in Fiscal 2017 for an amount of ₹ 116.82 million. Excise duty was imposed on our products by law after March 2016. The full amount of ₹ 116.82 million of the excise duty was passed through to our customers in Fiscal 2017. Excise duty is no longer applicable following the implementation of a national goods and service tax (“GST”) on July 1, 2017.

Employee Benefit Expenses

Our employee benefit expense increased by 1.49% to ₹ 303.57 million for Fiscal 2017 compared to ₹ 299.12 million for Fiscal 2016. This increase was primarily due to a general increase in employee salaries and also due to increase in the number of stores.

Finance Costs

Our finance costs decreased marginally by 1.10% to ₹ 246.07 million for Fiscal 2017 compared to ₹ 248.80 million for Fiscal 2016. This decrease was primarily due to lower cost of borrowing.

Depreciation and Amortisation Expense

Our depreciation and amortisation expense increased by 22.69% to ₹ 53.27 million for Fiscal 2017 compared to ₹ 43.42 million for Fiscal 2016. This increase was primarily due to additions made to our property, plant and equipment as a result of additional store openings.

Other Expenses

Our other expenses increased by 2.08% to ₹ 338.34 million for Fiscal 2017 compared to ₹ 331.43 million for Fiscal 2016. Some of the key factors leading to increase in expenditure is listed out below:

- An increase in our advertisement expenses by ₹ 12.34 million in Fiscal 2017, which represented a 11.20% increase, as compared to Fiscal 2016. Our advertisement expenses increased due to additional stores and extensive marketing undertaken by our Company.

- An increase in cost towards repairs and maintenance by ₹ 10.15 million in Fiscal 2017 which represented a 45.62% increase, as compared to Fiscal 2016. The repairs and maintenance increased due to renovation of old stores and increased number of stores.
- An increase in our rates and tax expenses by ₹ 14.80 million in Fiscal 2017 to ₹ 20.01 million, which represented an increase of 283.79%, as compared to Fiscal 2016. This increase was predominantly due to increase in profits.

Profit / Loss Before Tax

As a result of the foregoing factors, our profit before tax increased by 37.03% to ₹ 706.98 million for Fiscal 2017 compared to a profit of ₹ 515.92 million for Fiscal 2016.

Tax Expense / Benefit

Our tax expense increased to ₹ 224.56 million for Fiscal 2017 compared to a tax expense of ₹ 164.24 million for Fiscal 2016. This increase was primarily due to increase our taxable income and increase in profit before tax.

Profit / Loss for the Period/ Year

As a result of the foregoing factors, our profit for the period increased by 37.18% to ₹ 482.42 million for Fiscal 2017 compared to a profit of ₹ 351.68 million for Fiscal 2016.

Liquidity and Capital Resources

We have historically financed our capital requirements and working capital needs for our operations primarily through funds generated from our operations, equity infusions from shareholders and financing from banks. As of March 31, 2018, we had ₹ 273.40 million in cash and cash equivalents and ₹ 2,408.20 million in current borrowings (which includes current maturities of long term borrowing).

We also avail gold loans where we purchase gold from an authorised bank with a deferred pricing and payment. The interest rate on such loan is dependent on gold lease market and other market specific factors that are linked to international gold interest rates. The amount repaid on the gold loan takes into consideration the gold spot rate on the date of fixing of the rate. Since repayment of loan and interest payment is linked to the movement in gold price, this makes the arrangement a hybrid contract which we reflect the fair value of at each reporting date.

We believe that, after taking into account the expected cash to be generated from operations and the proceeds from the Issue, we will have sufficient liquidity for our present requirements and anticipated requirements for capital expenditure and working capital for 24 months following the date of this Draft Red Herring Prospectus.

The following table sets forth information regarding our cash flows for Fiscals 2018, 2017 and 2016, and our cash and cash equivalents at the end of each period.

	Amount (₹ million)		
	Fiscal		
	2018	2017	2016
Net cash from / (used in) operating activities	(152.62)	207.00	581.52
Net cash flows from / (used in) investing activities	19.23	(257.82)	(115.70)
Net cash flows from / (used in) financing activities	158.74	40.19	(574.19)
Net increase in cash and cash equivalents	25.35	(10.63)	(108.36)
Cash and cash equivalents at the beginning of the period	248.05	258.68	367.04
Cash and cash equivalents at the end of the period	273.40	248.05	258.68

Cash flows provided by operating activities

Net cash used in operating activities was ₹ 152.62 million for the Fiscal 2018 and consisted of profit before tax for the year of ₹ 805.93 million, as adjusted, among other things, finance costs of ₹ 267.04 million. Working capital adjustments included increase in inventory (due to increase in number of stores from 16 to 25) by ₹ 1,167.47 million, which were offset by an increase in other current liabilities of ₹ 211.51 million.

Net cash from operating activities was ₹ 207.00 million for the Fiscal 2017 and consisted of profit before tax for the year of ₹ 706.98, as adjusted, among other things, finance costs of ₹ 246.07 million. Working capital adjustments included increase in inventory (due to increase in number of stores from 13 to 16) by ₹ 976.83 million, which were offset by an increase in trade payables of ₹ 281.40 million and increase in other current liabilities of ₹ 102.54 million.

Net cash from operating activities was ₹ 581.52 million for the Fiscal 2016 and consisted of profit before tax for the year of ₹ 515.92 million, as adjusted, among other things, finance costs of ₹ 248.80 million. Working capital adjustments included increase in inventory of ₹ 51.93 million, which were offset by an increase in other current liabilities of ₹ 83.97 million.

Cash flows from (used in) investing activities

Net cash flows from investing activities was ₹ 19.23 million for the Fiscal 2018, primarily as a result of proceeds from sale of property, plant and equipment and proceeds from sale of investments of 134.55 million and 100.04 million, respectively. This was partially offset by investment made in purchase of property, plant and equipment of ₹ 234.86 million.

Net cash used in investing activities was ₹ 257.82 million for the Fiscal 2017, primarily as a result of purchase of property, plant and equipment of ₹ 286.43 million. This was partially offset by changes in other bank balances of ₹ 29.44 million.

Net cash used in investing activities was ₹ 115.70 million for the Fiscal 2016 primarily as a result of purchase of property, plant and equipment of ₹ 107.94 million and changes in other bank balances of ₹ 21.97 million. This was partially offset by proceeds from sale of property, plant and equipment and proceeds from sale of investments.

Cash flows from (used in) financing activities

Our cash flow from financing activities for Fiscal 2018 was ₹ 158.74 million, primarily comprising of proceeds from fresh issue of Equity Shares of ₹ 789.51 million, proceeds of non-current borrowings of ₹ 208.72 million and proceeds of current borrowings of ₹ 734.15 million. This was partially offset by dividend distributed of ₹ 1,315.78 million (pursuant to conversion from partnership to our Company, the current capital which was earlier part of accumulated business profits of the Erstwhile Partnership Firm being reflected in our Restated Financial Information as reserves & surplus, was returned back to our Promoters, since the amount was accumulated out of profits and hence it was treated as dividend as per relevant accounting treatment) and finance cost of ₹ 267.04 million.

Our cash flow from financing activities for Fiscal 2017 was ₹ 40.19 million, primarily comprising proceeds of non-current and current borrowings (which includes current maturities of long term borrowing) of ₹ 227.76 million and ₹ 176.54 million, respectively. This was partially offset by dividend distributed of ₹ 141.50 million and finance cost of ₹ 246.07 million.

Our cash flow used in financing activities for Fiscal 2016 was ₹ 574.18 million, primarily comprising repayment of non-current borrowings of ₹ 206.02 million, finance cost of ₹ 248.80 million and dividend distributed of ₹ 119.36 million.

Indebtedness

As of March 31, 2018, we had long-term borrowings of ₹ 471.26 million (including current maturities of long term debt) and short-term borrowings of ₹ 2,373.42 million. The following table sets forth certain information relating to our outstanding indebtedness as of March 31, 2018:

(₹ in million)

	Payment Due by Period		
	Less than 1 year	More than 1 year	Total
Long Term Borrowings			
Secured	34.78	436.48	471.26
Unsecured	-	-	-
Short Term Borrowings			
Secured	2,119.86	-	2,119.86
Unsecured	253.56	-	253.56

Some of our financing agreements also include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. We cannot assure you that we will be able to obtain these consents and any failure to obtain these consents could have significant adverse consequences for our business. For further information on our agreements governing our outstanding indebtedness, see “*Financial Indebtedness*” on page 246.

Capital Expenditure

Our historical capital expenditures were, and we expect our future capital expenditures to be, primarily for new store openings. In Fiscals 2018, 2017 and 2016, our capital expenditures were ₹ 234.86 million, ₹ 286.43 million and ₹ 107.94 million, respectively.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, derivative instruments or other relationships with other entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

Related Party Transactions

We enter into various transactions with related parties. For further information, see “*Related Party Transactions*” on page 161.

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to various types of market risks during the normal course of business. We are exposed to credit risk, liquidity risk, foreign currency risk, commodity price risk, interest rate risk and market risk. The senior management of our Company oversees the management of these risks. Our Company’s financial risk activities are governed by appropriate policies and procedures and financial risks are identified, measured and managed in accordance with our Company’s policies and risk objectives. Our Company’s financial risk management policies are set by the Board of Directors. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include deposits, investments, receivables, payables, advances and other financial instruments. Market risk comprises interest rate risk, currency risk and other price risk such as commodity price risk. The sensitivity analyses in the following sections relate to the position as at respective period / year end. The following assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at each period / year end.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our Company’s exposure to the risk of changes in market interest rates relates primarily to our Company’s long-term debt obligations with floating interest rates. Our Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Commodity price risk

Our Company is affected by the price volatility of commodities like gold and silver. Our operating activities require ongoing purchase and sale of these commodities. Our Company uses derivative financial instruments to manage risk associated with the commodity price fluctuations. The hedging transaction is mainly done against price risk on exposure of the commodity. All such derivative financial instruments are supported by an underlying stock and are not for speculation / trading. Further, our gold deposit scheme in which any customer can deposit a minimum of 20 grams (10 grams thereafter) of gold for particular period also helps us by acting as a natural hedge against fluctuations in the rate of gold.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Our Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institution and other financial instruments.

Trade receivables

Customer credit risk is managed by our Company subject to the established policy, procedures and controls relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. Our Company does not hold collateral as security.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by our Company's treasury department in accordance with our Company's policy. Investments of surplus funds are made with banks in terms of fixed deposits and investment in designated mutual funds. Credit risk on cash deposits is limited as our Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Other investments primarily include investment in liquid mutual fund units of reputed companies, where historically our Company has not incurred any loss due to credit risk.

Liquidity risk

Our Company monitors its risk of shortage of funds by estimating the future cash flows. Our Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. Our Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Our Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

Significant Economic Changes

Other than as described above under the heading titled "*- Principal Factors Affecting Our Financial Condition and Results of Operations*," to the knowledge of our management, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

Material Frauds

There are no material frauds that have been committed against our Company in the past three Fiscals preceding the date of this Draft Red Herring Prospectus.

Unusual or Infrequent Events of Transactions

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

Known Trends or Uncertainties

Our business has been affected and we expect will continue to be affected by the trends identified above in the heading titled "*- Principal Factors Affecting Our Financial Condition and Results of Operations*" and the uncertainties described in the section titled "*Risk Factors*" beginning on pages 249 and 17 of this Draft Red Herring Prospectus. To our knowledge, except as described or anticipated in this Draft Red Herring Prospectus, there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

Future Relationship between Cost and Income

Other than as described elsewhere in this Draft Red Herring Prospectus, particularly in this section, to the knowledge of our management, there are no known factors that might affect the future relationship between costs and revenues.

New Products or Business Segments

Other than as described elsewhere in this Draft Red Herring Prospectus, there are no new products or business segments in which we operate.

Seasonality of Business

Our sales have historically exhibited certain seasonal fluctuations, reflecting higher sales volumes during the festival period, wedding season and other occasions such as Valentine's Day, Gudi Padwa, Akshaya Tritiya, Ganesh Chaturthi, Durga Puja, Dhanteras, Diwali and Christmas which occur in the third and fourth quarter of the fiscal year. This period also coincides with the wedding season in India. We stock certain inventory to account for this seasonality, while our fixed costs such as lease rentals, employee salaries, store operating costs and logistics-related expenses, which form a significant portion of operating costs, are relatively constant throughout the year. Any slowdown in demand for our jewellery during peak season or failure by us to accurately foresee and prepare for such seasonal fluctuations could have a material adverse effect on our business, financial condition and results of operations.

Auditor's Reservations / Qualifications / Adverse Remarks

There are no reservations/ qualifications/ adverse remarks/ matters of emphasis highlighted by our Auditors in their audit reports for the last three fiscal years preceding the date of this Draft Red Herring Prospectus.

Changes in accounting policies

There are no changes in accounting policies in the last five fiscal years.

Recent Accounting Pronouncements

Ind AS 115 was notified by the Ministry of Corporate Affairs (MCA) on March 28, 2018 and establishes a five-step model to account for revenue arising from contracts with customers.

Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS.

The Company is engaged in the business of manufacturing and selling jewellery in India. The Company is in the process of assessing the impact of implementation of Ind AS 115 on its financial statements.

Significant Developments after March 31, 2018 that may Affect our Future Results of Operations

Except for:

1. allotment of 13,508,260 bonus shares in the ratio of two Equity Shares for every three Equity Shares on April 23, 2018, and
2. approval of the Board, on April 18, 2018 for proposed dividend at the rate of 40% on Equity Shares, on a *pro-rata* basis, subject to the approval of the shareholders of our Company,

as stated in this Draft Red Herring Prospectus, to our knowledge, no circumstances have arisen since the date of the Restated Financial Information as disclosed in this Draft Red Herring Prospectus which materially and adversely affect or are likely to affect our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

Except as stated in this section, there are no (i) outstanding criminal proceedings involving any of our Company, Promoters, Directors and Group Company, (ii) actions taken by statutory or regulatory authorities involving any of our Company, Promoters, Directors and Group Company, (iii) material litigation, in each case, involving any of our Company, Promoters, Directors and Group Company, (iv) claims related to direct and indirect taxes involving any of our Company, Promoters, Directors and Group Company, and (v) outstanding dues to small scale undertakings and other material creditors by our Company.

Our Board in its meeting held on April 18, 2018, has adopted policies for identification of material legal proceedings. Accordingly, our Board has considered as material each such case involving our Company, Promoters, Directors or Group Company, where the potential financial liability or monetary amount of claim involved exceeds ₹ 17.27 million or ₹ 183.84 million, whichever is lower, (which represents three percent of the profit after taxes of our Company as per the Restated Financial Information of our Company for Fiscal 2018 or 1% of the total revenue of our Company as per the Restated Financial Information of our Company for Fiscal 2018) or, in the opinion of the Board of Directors of the Company, the outcome of any such pending proceedings may have a material impact on the business, operations or prospects or reputation of our Company, and such matters are disclosed in this section.

Further, pre-litigation notices received by our Company, Promoters, Directors, or Group Company from third parties (excluding those notices issued by statutory/regulatory/tax authorities or notices threatening criminal action) shall, unless otherwise decided by the Board, not be evaluated for materiality until such time that our Company, Promoters, Directors or Group Company are impleaded as defendants in litigation proceedings before any judicial forum, and accordingly have not been disclosed, if any, in this section.

For the purpose of (v) above, our Board in its meeting held on April 18, 2018 has considered and adopted a policy of materiality for identification of material outstanding dues to creditors. In terms of the materiality policy, any outstanding dues (trade payables) which exceed 10 percent of the total dues (trade payables) owed by our Company as per Restated Financial Information for Fiscal 2018 has been considered as material. During Fiscal 2018, our total trade payables were ₹ 313.94 million and accordingly, any outstanding dues exceeding ₹ 31.39 million has been considered as material outstanding dues for the purposes of disclosure in this section.

Further, except as stated in this section, there are no (i) inquiries, inspections or investigations initiated or conducted under the Companies Act against our Company in the five years preceding the date of this Draft Red Herring Prospectus; (ii) prosecutions filed (whether pending or not), fines imposed on or compounding of offences by our Company, in the five years preceding the date of this Draft Red Herring Prospectus; (iii) material frauds committed against our Company in the five years preceding the date of this Draft Red Herring Prospectus; (iv) proceedings initiated against our Company for economic offences; (v) defaults in respect of dues payable; instances of defaults or non-payment of statutory dues by our Company; (vi) litigation or legal action pending or taken by any Ministry or department of the Government or a statutory authority during the last five years immediately preceding the date of this Draft Red Herring Prospectus (along with any direction issued by any ministry or department of the Government or statutory authority upon conclusion of such litigation or legal action) against any of our Promoters; and (vii) outstanding litigation involving any other person, outcome of which could have a material adverse effect on the position of our Company.

Further, it is clarified that for the purpose of the above, pre-litigation notices received by our Company, Group Company, Directors or Promoters, from third parties (excluding statutory / regulatory authorities or notices threatening criminal action) shall, in any event, not be evaluated for materiality until such time that our Company, Group Company, Directors or Promoters are impleaded as defendants in litigation proceedings before any judicial forum.

All terms defined in a particular litigation disclosure below are for that particular litigation only.

Litigation involving our Company

Litigation against our Company

A. Tax Proceedings

We have disclosed claims relating to direct and indirect taxes involving our Company in a consolidated manner giving details of number of cases and total amount involved in such claims.

Particulars	Number of cases	Aggregate amount involved (in ₹ million)
Direct Tax	1	1.34
Indirect Tax	Nil	Nil

Default or non-payment of Statutory Dues

Our Company has no outstanding defaults in relation to statutory dues payable.

Outstanding dues to Creditors

As of March 31, 2018, we had one material creditor. The aggregate amount outstanding to all creditors as on March 31, 2018 was ₹ 313.94 million which consists of 365 creditors.

As per the materiality policy of our Board, such creditors to whom, an amount exceeding 10 percent of our trade payables as per the last audited financial statements is owed, shall be considered material. Accordingly, in this regard, the creditors to whom an amount exceeding ₹ 31.39 million was owed as on March 31, 2018, were considered 'material' creditors. Further, for outstanding dues to any party which is a small-scale undertaking or a micro, small or a medium enterprise, the disclosure is based on information available with the Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as has been relied upon by the Auditors. Our Company has issued letters to its creditors requesting confirmations with respect to their registration under the Micro, Small and Medium Enterprises Development Act, 2006. These disclosures are made based on replies received by our Company.

As of March 31, 2018, our Company had outstanding dues aggregating to ₹ 32.98 million owed to one small scale undertaking, namely Swarnashilp Chains & Jewellers Private Limited.

As of March 31, 2018, our Company had outstanding dues aggregating to ₹ 32.98 million owed to one material creditor, namely Swarnashilp Chains & Jewellers Private Limited.

As of March 31, 2018, our Company had outstanding dues aggregating to ₹ 280.96 million owed to other 364 other creditors.

The details pertaining to amounts due towards such creditors are available on the website of our Company at the following link: <http://www.pngadgilandsons.com/investors/corporate-governance>.

Information provided on the website of the Company is not a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Company's website, www.pngadgilandsons.com, would be doing so at their own risk.

Material Developments since the last balance sheet

Except as disclosed in "Management's Discussion And Analysis of Financial Condition and Results of Operations" on page 248, there have not arisen, since the date of the last financial information disclosed in DRHP, any circumstances which materially and adversely affect, or are likely to affect, our profitability taken as a whole or the value of our assets or our ability to pay our liabilities within the next 12 months.

Proceedings initiated against our Company and our Directors for economic offences

There are no proceedings initiated against our Company or our Directors for any economic offences.

Details of any inquiry, inspection or investigation initiated or conducted under the Companies Act in the last five years immediately preceding the year of this Draft Red Herring Prospectus

No inquiries, inspections or investigations have been initiated against our Company in the last five years immediately preceding the date of this Draft Red Herring Prospectus.

Material Frauds against our Company in the last five years immediately preceding the year of this Draft Red Herring Prospectus

No material frauds have been committed against our Company in the last five years immediately preceding the date of this Draft Red Herring Prospectus.

Details of fines imposed or compounding of offences under the Companies Act in the last five years immediately preceding the year of this Draft Red Herring Prospectus and any prosecutions filed (whether pending or not)

There have been no fines imposed on our Company or compounding of offences by our Company under the Companies Act in the last five years immediately preceding the date of this Draft Red Herring Prospectus.

Litigation or legal action against our Promoters by any ministry or Government department or statutory authority in the last five years immediately preceding the year of this Draft Red Herring Prospectus

There is no litigation or legal action taken or pending against our Promoters taken by any ministry, department of government or any statutory authority in the last five years.

Outstanding litigation involving any other persons or companies whose outcome could have an adverse effect on our Company

There is no outstanding litigation against any other persons or companies whose outcome could have an adverse effect on our Company.

GOVERNMENT AND OTHER APPROVALS

Except as disclosed herein and in “Risk Factors” on page 17, we have obtained all material consents, licenses, permissions and approvals from various governmental, statutory and regulatory authorities in India for undertaking our business. The list below is indicative and does not include Issue and incorporation related approvals, which are set out in the sections entitled “Other Regulatory and Statutory Disclosures” and “History and Certain Corporate Matters” on pages 279 and 133, respectively. In view of these approvals, our Company can undertake this Issue and its current business activities.

Certain approvals may lapse in their normal course or have not been obtained by our Company, and our Company shall either make an application to the appropriate authorities for grant or renewal of such approvals or are in the process of making such applications. Unless stated otherwise, we have obtained necessary approvals from the relevant government authorities with respect to our business and such approvals are valid as on the date of this Draft Red Herring Prospectus.

The material approvals, consents, licenses, registrations and permits obtained by our Company, which enable it to undertake its current business activities, are set out below:

1. Incorporation Details of our Company

Certificate of incorporation dated November 6, 2017 issued by the Registrar of Companies, Maharashtra at Pune to our Company and Corporate Identity Number allotted is U36911PN2017PLC173262;

2. Approvals related to the Issue

Corporate Approvals:

- (a) The Board has, pursuant to its resolution dated March 4, 2018 authorized the Issue, subject to the approval of the shareholders of our Company under Section 62 (1) (c) of the Companies Act 2013.
- (b) Our shareholders have, pursuant to their resolution dated March 7, 2018 authorized the Issue, in terms of Section 62 (1) (c) of the Companies Act 2013.

In-principle listing approvals

- (a) In-principle approval from BSE dated [●].
- (b) In-principle approval from NSE dated [●].

3. Approvals in relation to our Company’s business in India

The key approvals typically required by us to run our stores and offices are:

- (a) License to use the BIS Hallmark for 23 stores, issued by the Bureau of Indian Standards.*

**Licenses to use the BIS Hallmark are held in the name of the Erstwhile Partnership Firm for 15 stores. Applications have been made for 15 stores to transfer the Licenses to the name of our Company.*

- (b) Certificate of verification under the Legal Metrology Acts of different jurisdictions for seven of our stores are held in the name of our Company, for nine of our stores in the name of the Erstwhile Partnership Firm, and the eight stores, in the name of the manufacturer of the relevant weights and measures equipment. Applications have not been made for 17 stores to transfer the certificate of verification under the Legal Metrology Acts to the name of our Company.
- (c) Certificate of registration of establishment issued under the relevant shops and establishment legislations of the respective states for 20 stores to which the certificate is applicable.*

**Certificates of registration of establishment for 10 stores are held in the name of the Erstwhile Partnership Firm. Applications have not been made for 7 stores to transfer the certificate of registration of establishment issued under the relevant shops and establishment legislations to the name of our Company.*

4. Approvals applied for but not received

- (a) License to use the BIS Hallmark for two of our stores from the Bureau of Indian Standards.
- (b) Certificate of registration of establishment issued under the relevant shops and establishment legislations for three of our stores.

5. Approvals expired and renewals to be applied for

- (a) Trade Operation License issued under the Karnataka Municipal Corporation Act, 1976 for the store in Gulbarga.
- (b) Certificate of verification under the Legal Metrology Act for one store.

6. Tax related approvals

- (a) Permanent Account Number AAJCP5227G issued to our Company by the Income Tax Department, Government of India.
- (b) Tax Deduction Account Number PNEP22988A issued to our Company by the Income Tax Department, Government of India.
- (c) Goods and services tax identification number 27AAJCP5227G1ZB has been issued to our Company. Additionally, we have obtained GST registrations for all the states in which we operate.
- (d) Registration for professional tax issued by relevant authorities in different States of India where the stores are located, under applicable professional tax laws of the respective states, wherever applicable.

7. Employee and labour related approvals


- (a) Provident Fund Registration Number PUPUN0306768000 for employees' provident fund issued by the Employees' Provident Fund Organisation under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.*

**The Provident Fund Registration Number is held in the name of the erstwhile partnership firm. An application has been made for transfer of the Registration Number to the name of our Company.*

- (b) Under the Employees' State Insurance Act, 1948 all applicable stores have been allotted the respective Employees' State Insurance code and sub-code numbers for the various cities in which our stores are located.

**The code and sub-codes are issued in the name of the erstwhile partnership firm. Applications have been made for each of the stores to transfer the code and sub-code numbers to the name of our Company.*

8. Intellectual property

As on date of this Draft Red Herring Prospectus, our trademark  is registered with the trademark registry in the name of Abhay Gadgil. Pursuant to a deed of assignment dated March 10, 2018, our trademark, copyright subsisting in the trademark and domain name were assigned to us, which were earlier inadvertently registered in the name of one of the erstwhile partners of the Erstwhile Partnership, prior to its conversion into our Company. Our Company has filed necessary application on May 2, 2018 with the trademark registry to record the assignment of trademark.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board has approved the Issue pursuant to the resolution passed at their meeting held on March 4, 2018 and our Shareholders have approved the Issue pursuant to the resolution passed at their meeting held on March 7, 2018 under Section 62(1) (c) of the Companies Act, 2013. This Draft Red Herring Prospectus has been approved by the Board of Directors on May 3, 2018 and IPO Committee on May 4, 2018.

Our Company received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by SEBI, RBI or other Governmental Authorities

Our Company, our Promoters, our Directors, the members of the Promoter Group and the Group Company have not been prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other government or regulatory authorities.

The companies, with which our Promoters, Directors or persons in control of our Company are or were associated as promoter, directors or persons in control have not been prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

Except as described in the chapter “Our Management”, none of our Directors or the entities that our Directors are associated with are engaged in securities market related business and other than as mentioned below, no action has been taken by SEBI against any of our Directors or the entities in which our Directors are involved in as promoter or directors:

Name of the compant	Puneet Shares and Finance Limited
SEBI registration No	INB011053437
Category of registration	Stock broker
If registration has elapsed, reasons for non-renewal.	NA
Details of any enquiry/ investigation conducted by SEBI at any time	Please refer footnote below*
Penalty imposed by SEBI, if any (includes deficiency/warning letter, adjudication proceedings, suspension/ cancellation/ prohibitory orders).	Nil
Outstanding fees payable to SEBI, if any	Nil

**Puneet Shares and Finance Limited (“PSFL”), along with three unrelated individuals were investigated by the SEBI for allegations that PSFL and the three individuals had acted together and in concert to acquire more than 5% of the paid up equity share capital in Pune Stock Exchange Limited (“PSE”), a recognized stock exchange, on August 25, 2007. The matter involved acquisition of shares of PSE by PSFL and the three individuals in breach of regulation 8 (1) of Securities Contracts (Manner of Increasing and Maintaining Public Shareholding in Recognized Stock Exchanges) Regulations, 2006 (“MIMPS Regulations”) read with Regulation 17(2) of Securities Contracts (Stock Exchanges and Clearing Corporations) Regulations, 2012 (“SECC Regulations”). The adjudicating proceedings against PSFL and the three individuals were disposed-off vide SEBI’s order dated August 23, 2017 by concluding that all the allegations were untenable.*

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India or abroad.

Neither our Company nor our Promoters, Directors, relatives (as per Companies Act, 2013) of our Promoters, or Group Company have been identified as Wilful Defaulters.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with the Regulation 26(1) of the SEBI ICDR Regulations as explained under the eligibility criteria calculated in accordance with the Restated Financial Information, prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations:

- Our Company has had net tangible assets of at least ₹30 million in each of the preceding three full years (of 12 months each) (i.e., fiscal years 2018, 2017 and 2016), of which not more than 50 % are held in monetary assets;

- Our Company has a minimum average pre-tax operating profit of ₹150 million calculated on a restated basis, during the three most profitable years (i.e. financial years ended March 31, 2018, March 31, 2017 and March 31, 2015) out of the immediately preceding five years (i.e., financial years ended 2018, 2017 and 2016) ;
- Our Company has a net worth of at least ₹10 million in each of the three preceding full years i.e. financial years ended March 31, 2018, March 31, 2017 and March 31, 2016 (of 12 months each);
- The aggregate size of the proposed Issue and all previous issues made in the same financial year is not expected to exceed five times the pre-Issue net worth as per the audited balance sheet of the Company for Fiscal 2018; and
- Our Company was converted from the Erstwhile Partnership Firm to public company on November 6, 2017 and consequently, the name was changed to PN Gadgil & Sons Limited. For details of changes in the name and Registered Office of the Company, see “History and Certain Corporate Matters” on page 133.

Our Company’s pre-tax operating profit, net worth, net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets derived from the Restated Financial Information included in this Draft Red Herring Prospectus as at, and for the last five years ended Fiscal 2018 are set forth below:

(₹ in million, unless otherwise stated)

Particulars	As on March 31, 2018	As on March 31, 2017	As on March 31, 2016	As on March 31, 2015	As on March 31, 2014
Net tangible Assets*	1,224.89	1,177.39	836.40	605.95	319.75
Monetary Assets**	274.21	267.62	307.69	394.07	574.96
Monetary Assets as a % of Net Tangible Assets	22.39%	22.73%	36.79%	65.03%	179.82%
Pre-tax operating profits for the year***	789.56	672.00	486.93	568.84	337.00
Net Worth****	1,229.05	1,180.82	840.07	607.38	320.78

* ‘Net tangible assets’ mean the sum of all net assets of the Issuer, excluding intangible assets as defined in Accounting Standard 26 issued by the Institute of Chartered Accountants of India.

** The monetary asset comprise of cash and cash equivalents and other bank balances.

*** ‘Pre-tax Operating Profit’ is defined as the restated profit before interest depreciation, amortisation and tax but after adjusting other income, loss on sale of investment and finance costs.

**** ‘Net Worth’ means the aggregate of Equity Share capital and reserves, excluding miscellaneous expenditure, if any.

Financial Years 2018, 2017 and 2015 are the three most profitable years out of the immediately preceding five financial years in terms of our Restated Financial Information.

The companies with which our Promoters or our Directors or persons in control of our Company are or were associated as promoter or director or as person in control are not debarred from accessing capital markets under any order or direction passed by SEBI.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be allotted will be not less than 1,000 failing which, the entire application monies shall be refunded forthwith. In case of delay, if any, in refund, our Company shall pay interest on the application monies at the rate of 15% per annum for the period.

Our Company is in compliance with the conditions specified in Regulation 4(2) of the SEBI ICDR Regulations, to the extent applicable.

Our Company is in compliance with the conditions specified in Explanation III of Regulation 26 of the SEBI ICDR Regulations as mentioned in the certificate dated February 21, 2018 by Khandelwal Jain & Associates, Chartered Accountants.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THIS DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BRLMS, HDFC BANK LIMITED AND YES SECURITIES (INDIA) LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS. THE BRLMS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MAY 4, 2018 WHICH READS AS FOLLOWS:

WE, THE BOOK RUNNING LEAD MANAGERS TO THE ISSUE, STATE AND CONFIRM AS FOLLOWS:

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS DATED MAY 4, 2018 (“DRAFT RED HERRING PROSPECTUS”) PERTAINING TO THE SAID ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**
 - (A) THE DRAFT RED HERRING PROSPECTUS FILED WITH SEBI 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 SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
 - (C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, AS AMENDED AND REPLACED BY THE COMPANIES ACT, 2013, TO THE EXTENT IN FORCE, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE “SEBI (ICDR) REGULATIONS”) AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT**

TILL DATE SUCH REGISTRATION IS VALID. – COMPLIED WITH AND NOTED FOR COMPLIANCE

- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. – NOTED FOR COMPLIANCE**
- 5. WE CERTIFY THAT A WRITTEN CONSENT FROM THE PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, AND THE EQUITY SHARES 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 THE DRAFT RED HERRING PROSPECTUS WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF THE LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS. – COMPLIED WITH AND NOTED FOR COMPLIANCE**
- 6. WE CERTIFY THAT REGULATION 33 OF THE SEBI ICDR REGULATIONS, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF THE PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS. COMPLIED WITH AND NOTED FOR COMPLIANCE**
- 7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI (ICDR) REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE ISSUE. NOT APPLICABLE**
- 8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE COMPANY'S MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. COMPLIED WITH**
- 9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013, AND THAT SUCH MONIES 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 COMPANY SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE. ALL MONIES RECEIVED OUT OF THE ISSUE SHALL BE CREDITED/ TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013.**
- 10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE ISSUE HAVE TO BE ISSUED IN DEMATERIALISED FORM ONLY.**

11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI (ICDR) REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:
 - (A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND
 - (B) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI (ICDR) REGULATIONS 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 THE CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC. – COMPLIED WITH.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI (ICDR) REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY. – COMPLIED WITH.
16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGERS (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE), AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR. – COMPLIED WITH.
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 OF THE COMPANY REPORTED, IN ACCORDANCE WITH THE ACCOUNTING STANDARD 24 AND INCLUDED IN THE DRAFT RED HERRING PROSPECTUS AS CERTIFIED BY OUR STATUTORY AUDITORS SHAH & TAPARIA, CHARTERED ACCOUNTANTS (FIRM REGISTRATION NUMBER: 109463W) PURSUANT TO ITS CERTIFICATE DATED MAY 4, 2018
18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y(1)(A) OR (B) OF SEBI ICDR REGULATIONS (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM UNDER CHAPTER XC OF THESE REGULATIONS (IF APPLICABLE) – NOT APPLICABLE

The filing of this Draft Red Herring Prospectus does not, however, absolve any person or Company who has authorised the issue of this Draft Red Herring Prospectus from any liabilities under 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 Issue. SEBI further reserves the right to take up at any point of time, with the BRLMs, any irregularities or lapses in this Draft Red Herring Prospectus, RHP and Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30 and 32 of the Companies Act, 2013.

Caution - Disclaimer from our Company and the BRLMs

Our Company, our Directors, our Promoters and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.pngadgilandsons.com or the respective websites of our Promoter Group or Group Company, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered into between the Underwriters and our Company.

All information, to the extent required in relation to the Issue, shall be made available by our Company and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

None among our Company, our Directors or any member of the Syndicate is liable for any failure in downloading the Bids due to faults in any software/ hardware system or otherwise.

Investors who Bid in the Issue will be required to confirm and will be deemed to have represented to our Company, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, Underwriters 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 the Equity Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company and our Group Company, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with, or become customers or suppliers to our Company and our Group Company, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Systemically Important NBFCs, or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies registered with the IRDAI, permitted provident funds and pension funds, insurance funds set up and managed by the army, air and naval forces and insurance funds set up and managed by the Department of Posts, India) and Eligible NRIs. This Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to or purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring 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 Pune, India only.

No action has been, or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus had been filed with the SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any issue hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company, our Group Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and unless so registered, and may not be Issued or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable U.S. state securities laws. The Equity Shares are

being Issued and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdictions where such Issues and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at SEBI at Plot No. C 4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration with PMT Building Stock Exchange, 3rd Floor, Deccan Gymkhana, Pune, Maharashtra 411004

Listing

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus as required by applicable law. If such money is not repaid within the prescribed time, then our Company and every Director of our Company who is an officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at all the Stock Exchanges mentioned above are taken within six Working Days from the Bid/Issue Closing Date or such time period as may be specified under the Applicable Law. If our Company does not allot the Equity Shares pursuant to the Issue within six working days of the Issue Closing date or such timelines prescribed by SEBI, it shall repay, without interest all monies received from the bidders, failing which interest shall be due to the bidders at rate as prescribed under applicable law, for delayed period.

Price information of past issues handled by the BRLMs (during the current financial year and two financial years preceding the current financial year)

A. HDFC Bank Limited

Table 1: Price information of past issues handled

S. No.	Issue name	Issue size (Rs. million)	Issue price (Rs.)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark] – 30 th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark] – 90 th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark] – 180 th calendar day from listing
1.	H.G. Infra Engineering Limited	4,620	270	March 9, 2018	270.00	+22.96% [+1.49%]	-	-
2.	HDFC Standard Life Insurance Company Limited	86,950.07	290	November 17, 2017	310.00	+30.16% [+1.02%]	+48.93% [+2.11%]	-
3.	AU Small Finance Bank Limited	19,125.14	358	July 10, 2017	525.00	+58.76% [+2.12%]	+65.20% [+2.23%]	+95.38% [+8.06%]
4.	Shankara Building Products Limited	3,450.01	460	April 5, 2017	555.05	+51.04% [+1.02%]	+80.91% [+3.78%]	+214.86% [+6.41%]
5.	Avenue Supermarts Limited	18,700.00	299	March 21, 2017	600.00	+145.08% [-0.20%]	+166.35% [+5.88%]	+264.38% [+11.31%]
6.	RBL Bank Limited	12,129.67	225	August 31, 2016	274.20	+27.07% [-2.22%]	+56.98% [-7.50%]	+107.91% [+1.26%]

Source: www.nseindia.com for price information and prospectus for issue details

1. Opening price information as disclosed on the website of NSE
2. Change in closing price over the issue price as disclosed on NSE
3. Change in closing price over the closing price as on the listing date for benchmark index i.e. NIFTY 50
4. In case of reporting dates falling on a trading holiday, values for the trading day immediately after the trading holiday have been considered
5. 30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken as listing date plus 179 calendar days

Table 2: Summary statement of disclosure

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. million)	No. Of IPOs trading at discount - 30 th calendar day from listing			No. Of IPOs trading at premium - 30 th calendar day from listing			No. Of IPOs trading at discount - 180 th calendar day from listing			No. Of IPOs trading at premium - 180 th calendar day from listing		
			Over 50%	Between 25-50 %	Less than 25%	Over 50%	Between 25-50 %	Less than 25%	Over 50%	Between 25-50 %	Less than 25%	Over 50%	Between 25-50 %	Less than 25%
2018 - 19*	NIL	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2017 - 18	4	114,145.22	-	-	-	2	1	1	-	-	-	2	-	-
2016 - 2017	2	30,829.67	-	-	-	1	1	-	-	-	-	2	-	-

*The information is as on the date of this Draft Red Herring Prospectus.

B. YES Securities:

Table 1: Price information of past issues handled

Sr. No.	Issue Name	Issue Size (Rs. million)	Issue Price (Rs.)	Listing Date	Opening Price on Listing Date (in Rs.)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1	Central Depository Services (India) Limited	5,239.91	149.00	June 30, 2017	250.00	+127.92% - change in closing price; +5.84% - change in closing benchmark	+128.62% - change in closing price; +2.61% - change in closing benchmark	+139.03% - change in closing price; +10.19% - change in closing benchmark
2	GTPL Hathway Limited	4,848.00	170.00	July 4, 2017	170.00	-13.32% - change in closing price; +4.16% - change in closing benchmark	-18.88% - change in closing price; +2.56% - change in closing benchmark	-3.68% - change in closing price; +8.55% - change in closing benchmark
3	Security and Intelligence Services (India) Limited	7,795.80	815.00	August 10, 2017	879.80	-1.88% - change in closing price; +1.89% - change in closing benchmark	+3.14% - change in closing price; +4.92% - change in closing benchmark	+45.54% - change in closing price; +6.90% - change in closing benchmark
4	Dixon Technologies (India) Limited	5,992.79	1,766	September 18, 2017	2,725.00	+50.78% - change in closing price; +0.57% - change in closing benchmark	+98.26% - change in closing price; +2.32% - change in closing benchmark	+92.73% - change in closing price; -0.58% - change in closing benchmark
5	Reliance Nippon Life Asset Management Company Limited	15,422.40	252.00	November 06, 2017	295.90	+1.21% - change in closing price; -3.90% - change in closing benchmark	+8.12% - change in closing price; +2.05% - change in closing benchmark	-

Sr. No.	Issue Name	Issue Size (Rs. million)	Issue Price (Rs.)	Listing Date	Opening Price on Listing Date (in Rs.)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
6	The New India Assurance Company Limited	96,000.00	800.00	November 13, 2017	750.00	-29.83% - change in closing price; -0.31% - change in closing benchmark	-7.81% - change in closing price; +3.08% - change in closing benchmark	-
7	Future Supply Chain Solutions Limited	6,496.95	664.00	December 18, 2017	664.00	+4.09% - change in closing price; +3.85% - change in closing benchmark	+6.27% - change in closing price; -2.83% - change in closing benchmark	-
8	Aster DM Healthcare Limited	9,801.37	190.00	February 26, 2018	183.00	-10.63% - change in closing price; -4.43% - change in closing benchmark	-	-
9	Bharat Dynamics Limited	9,609.44	428.00	March 23, 2018	370.00	-4.65% - change in closing price; +5.87% - change in closing benchmark	-	-
10	Lemon Tree Hotels Limited	10,386.85	56.00	April 9, 2018	61.60	-	-	-

Notes:

1. Benchmark Index taken as CNX NIFTY
2. Price on NSE is considered for all of the above calculations
3. % change taken against the Issue Price in case of the Issuer. % change taken against closing CNX NIFTY Index on the day of the listing date.
4. The 30th, 90th and 180th calendar day from listed day have been taken as listing day plus 30, 90 and 180 calendar days. If either of the 30th, 90th or 180th calendar days is a trading holiday, the next trading day has been considered for the computation.

Table 2: Summary statement of disclosure

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Mn.)	No. of IPOs trading at discount - 30 th calendar days from listing			No. of IPOs trading at premium - 30 th calendar days from listing			No. of IPOs trading at discount - 180 th calendar days from listing			No. of IPOs trading at premium - 180 th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2018-2019	1	10,386.85	-	-	-	-	-	-	-	-	-	-	-	-
2017-2018	9	161,206.66	-	1	4	2	-	2	-	-	1	2	1	-
2016-2017	2	15,125.00	-	-	1	1	-	-	-	-	-	1	-	1

Notes:

Data for number of IPOs trading at premium/discount taken at closing price on NSE on the respective date.

The information for the financial year is based on issue listed during such financial year.

C. Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please see the website of the BRLMs, as set out in the table below:

Serial Number	Name of the BRLMs	Website
1.	HDFC	www.hdfcbank.com
2.	YES Securities	www.yesinvest.in

Consents

Consents in writing of our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, our Statutory Auditors, legal counsel to our Company, legal counsel to the BRLMs, Bankers to our Company, the BRLMs, the Syndicate Members, Bankers to the Issue/ Anchor Escrow Bank, Refund Bank, monitoring agency, CRISIL, the Registrar to the Issue, to act in their respective capacities, have been/will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, our Statutory Auditors, Shah & Taparia, Chartered Accountants, have given their written consent for inclusion of their reports dated May 4, 2018 on the Restated Financial Information of our Company and the statement of tax benefits dated May 4, 2018 in the form and context, included in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus for filing with SEBI.

Expert to the Issue

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

Our Company has received written consent from the Statutory Auditors namely, Shah & Taparia, Chartered Accountants, to include their name as required under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an “expert” as defined under Section 2(38) of the Companies Act, 2013, in respect of the examination reports of the Statutory Auditors on the Restated Financial Information dated May 4, 2018 and the statement of tax benefits dated May 4, 2018, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Vidyasagar Jadhav, an independent architect, has provided his written consent for the inclusion of extracts from the certificate dated April 28, 2018 in this Draft Red Herring Prospectus and to be named as an “expert” as defined under the Companies Act, 2013 in relation thereto, and such consent has not been withdrawn at the time of delivery of this Draft Red Herring Prospectus to SEBI.

Issue Expenses

The expenses of this Issue include, among others, underwriting and management fees, selling commissions, bidding charges, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees, filing fees, auditor’s fees and listing fees. For further details of Issue expenses, see “*Objects of the Issue*” on page 80.

Fees Payable to the Registrar to the Issue

The fees payable by our Company to the Registrar to the Issue for processing of applications, data entry, printing of Allotment Advice/CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the agreement dated May 4, 2018 entered into, between our Company and the Registrar to the issue a copy of which is available for inspection at the Registered and Corporate Office from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, and 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/ under certificate of posting.

IPO grading

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

Particulars regarding public or rights issues by our Company during the last five years

Except as disclosed in the “*Capital Structure*”, our Company has not made any public or rights issues during the five years preceding the date of this Draft Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

Except as disclosed in the “*Capital Structure*”, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Underwriting Commission, Brokerage and Selling Commission paid on previous issues of the Equity Shares

Since this is the initial public issue of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company’s inception.

Previous capital issue during the previous three years by listed Group Company of our Company

None of our Group Company are listed as on the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Public/ rights issue of our Company and/ or listed Group Entities of our Company

Our Company has not undertaken any previous public or rights issue. Neither our Group Company nor our Company have undertaken any public or rights issue in the last ten years preceding the date of this Draft Red Herring Prospectus.

Outstanding Debentures or Bonds

There are no outstanding debentures or bonds of our Company as of the date of filing this Draft Red Herring Prospectus.

Outstanding Preference Shares or convertible instruments issued by our Company

Our Company does not have any preference shares or convertible instruments as of the date of filing this Draft Red Herring Prospectus.

Partly Paid-up Equity Shares

Our Company does not have any partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

Stock Market Data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange.

Fees, Brokerage and Selling Commission Payable to the Syndicate Members

The total fees payable to the Syndicate Members (including underwriting commission, brokerage and selling commission and reimbursement of their out-of-pocket expense) will be as stated in the Syndicate Agreement, copies of which will be made available for inspection at the Registered and Corporate Office from the date of the Red Herring Prospectus until the Bid/Issue Closing Date. For further details, see “*Objects of the Issue*” on page 80 of this Draft Red Herring Prospectus.

Commission payable to SCSBs, Registered Brokers, RTAs and CDPs

For details of the commission payable to SCBS, Registered Brokers, RTAs and CDPs, see “*Objects of the Issue*” on page 80.

Redressal of Investor Grievances

The agreement between the Registrar to the Issue and our Company provides for retention of records with the Registrar to the Issue for a period of at least three years from the last date of dispatch of the letters of allotment and demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the ASBA Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, ASBA Form number, Bidder DP ID, Client ID, PAN, date of the submission of ASBA Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip or specify the application number duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

All grievances of the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as name of the sole or first Bidder, Anchor Investor Application Form number, Bidders DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Anchor Investor, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the Book Running Lead Manager where the Anchor Investor Application Form was submitted by the Anchor Investor.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has also appointed Avanti Gulavani as the Compliance Officer for the Issue. For details, see “*General Information*” on page 59.

There are no listed companies under the same management as our Company.

Our Company has constituted a Stakeholders’ Relationship Committee comprising of Ashish Khandelwal, Independent Director, Amit Modak, Whole-time Director and Chief Executive Officer, Govind Gadgil, Whole-time Director and Chairman. For further details on the Stakeholders’ Relationship Committee, see “*Our Management*” on page 136 of this Draft Red Herring Prospectus.

Our Company has not received any investor complaints during the three years preceding the date of this Draft Red Herring Prospectus and hence, there are no investor complaints pending against our Company.

Changes in Auditors

Except as stated below, there have been no changes in the auditors of our Company during the last three years preceding the date of this Draft Red Herring Prospectus.

M/s Khandelwal Jain & Associates, Chartered Accountants, were appointed as the auditors of our Company. However, M/s Khandelwal Jain & Associates, Chartered Accountants resigned as statutory auditors of our

Company on December 26, 2017. Shah & Taparia, Chartered Accountants, were appointed as statutory auditors on January 5, 2018 till the conclusion of the next annual general meeting of the Company.

Capitalisation of Reserves or Profits

Our Company has not capitalised its reserves or profits at any time during the last five years.

Revaluation of assets by the Company

As of the date of this Draft Red Herring Prospectus, our Company has not revaluated any of its assets.

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued pursuant to this Issue shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the Memorandum of Association and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange, 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 the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Issue.

Issue Expenses

All expenses in relation to the Issue shall be borne by our Company. For further details, please see “*Objects of the Issue*” on page 80.

Ranking of the Equity Shares

The Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Companies Act, SEBI Listing Regulations, the MoA and AoA and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the right to receive dividend. The Allottees upon Allotment of Equity Shares under the Issue, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please see “*Main Provisions of Articles of Association*” on page 349.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of Companies Act, the Memorandum of Association and Articles of Association and provisions of the SEBI Listing Regulations, as applicable. For further details, in relation to dividends, please see the sections entitled “*Dividend Policy*” and “*Main Provisions of the Articles of Association*” on pages 160 and 349, respectively. The Allottees upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment.

Face Value and Issue Price

The face value of each Equity Share is ₹10 and the Issue Price at the lower end of the Price Band is ₹ [●] per Equity Share and at the higher end of the Price Band is ₹ [●] per Equity Share. The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Price Band, Employee Discount and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLMs and will be advertised in all editions of the widely circulated English national daily newspaper [●], all editions of the widely circulated Hindi national daily newspaper [●] and Pune edition of the widely circulated Marathi daily newspaper [●], at least five Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchanges.

At any given point of time there shall be only one denomination of Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our equity Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations, 2015 and the Memorandum of Association and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, please see “*Main Provisions of Articles of Association*” on page 349.

Option to receive Equity Shares in Dematerialised Form

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated March 23, 2018 amongst NSDL, our Company and the Registrar to the Issue;
- Agreement dated March 26, 2018 amongst CDSL, our Company and the Registrar to the Issue.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares.

Joint Holders

Where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Pune.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013 the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be

entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered and Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- (a) to register himself or herself as the holder of the Equity Shares; or
- (b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

Withdrawal of the Issue

Our Company in consultation with the BRLMs, reserve the right not to proceed with the Issue, in whole or in part, after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. In such an event, the BRLMs through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with the issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.

Bid/Issue Programme

BID/ISSUE OPENS ON	* [●]
BID/ISSUE CLOSES ON (FOR QIBs)	** [●]
BID/ISSUE CLOSES ON (FOR OTHER BIDDERS)	[●]

- * Our Company may, in consultation with the BRLMs, may consider participation by Anchor Investors. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI ICDR Regulations
- * Our Company may, in consultation with the BRLMs, may consider closing the Bid/Issue Period for QIBs one day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations

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

Event	Indicative Date
Bid/Issue Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

The above timetable, other than the Bid/Issue Closing Date, is indicative and does not constitute any obligation on our Company or the BRLMs.

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 Exchanges are taken within six Working Days of the Bid/ Issue Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/ Issue Period by our Company, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Issue Period (except the Bid/Issue Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("IST"))
Bid/Issue Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

On the Bid/Issue Closing Date, the Bids shall be uploaded until:

- (i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders and Eligible Employees.

On Bid/Issue Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders and Eligible Employees after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.

In case of any discrepancy in the data entered in the electronic book vis-a-vis data contained in physical Bid cum Application Form, for a particular Bidder the details of the Bid file received from Stock Exchanges may be taken as final data for purposes of Allotment.

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Issue Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Issue. Bids will be accepted only during Monday to Friday (excluding any public holiday). None among our Company, or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Our Company in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

In case of revision in the Price Band, the Bid/Issue Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the website of the BRLMs and on the terminals of the Syndicate Members.

Minimum Subscription

If our Company does not receive (i) the minimum subscription of 90% of the Issue; and (ii) a subscription in the Issue equivalent to up to [●] post-Issue paid up Equity Share capital of our Company (the minimum number of

securities as specified under Rule 19(2)(b) of the SCRR), including devolvement of Underwriters, if any, within 60 days from the date of Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law.

Further, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Issue capital of our Company, Promoters' minimum contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 67 and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details see "*Main Provisions of the Articles of Association*" on page 349.

Option to Receive Securities in Dematerialized Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Offer shall be allotted only in dematerialised form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges.

Withdrawal of the Issue

Our Company in consultation with the BRLMs, reserves the right not to proceed with the Issue after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre- Issue advertisements were published, within two days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraw the Issue after the Issue Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.

ISSUE STRUCTURE

Issue is a public offering of up to [●] Equity Shares for cash at price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating to ₹ 5,000 million by our Company. The Issue will constitute [●]% of the post-Issue paid-up Equity Share capital of our Company. The Issue comprises an Employee Reservation Portion of up to [●] Equity Shares. The Issue and the Net Issue will constitute up to [●]% and [●]%, respectively, of our post Issue paid-up Equity Share capital.

The face value of equity shares is ₹10 each.

The Issue is being made through the Book Building Process.

Particulars	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders	Eligible Employees
Number of Equity Shares available for Allotment/ allocation* ⁽²⁾	[●] Equity Shares or Net Issue less allocation to Non-Institutional Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Net Issue less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Net Issue less allocation to QIB Bidders and Non-Institutional Bidders	Up to [●] Equity Shares
Percentage of Issue Size available for Allotment/ allocation	Not more than 50% of the Net Issue size. However, 5% of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be added to the QIB Portion (excluding the Anchor Investor Portion).	Not less than 15% of the Net Issue size or Issue less allocation to QIB Bidders and Retail Individual Bidders	Not less than 35% of the Net Issue or Issue less allocation to QIB Bidders and Non-Institutional Bidders	[●] Equity Shares Constituting approximately [●] % of the Issue
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs, including Mutual Funds receiving	Proportionate	The allotment to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details, please see the chapter entitled “ <i>Issue Procedure – Part B – Allotment</i> ”	Proportionate. However, Allotment to Eligible Employees in the Employee Reservation Portion may exceed ₹ 200,000 only in the event of an under subscription in the Employee Reservation Portion and such Unsubscribed portion may be Allotted on a

Particulars	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders	Eligible Employees
	allocation as per (a) above (c) Up to [●] Equity Shares may be allocated on a discretionary basis to the Anchor Investors		<i>Procedure and Basis of Allotment</i> ” on page 336	proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion for a value in excess of ₹ 200,000, subject to the total Allotment to Eligible Employee not exceeding ₹ 500,000
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter.	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue, subject to limits applicable to each bidder	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000	Such number of Equity Shares and in multiples of [●] Equity Shares, so that the Bid Amount does not exceed ₹ 500,000
Mode of Bidding	Through ASBA process only (other than Anchor Investors)**			
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Mode of allotment	Compulsorily in dematerialised form			
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter			
Trading Lot	One Equity Share			
Who can apply ⁽⁴⁾	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, mutual funds, FPIs other than Category III foreign portfolio investors, VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDAI, provident fund (subject to applicable law) with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million, National Investment Fund set up by the Government of	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, Category III foreign portfolio investors	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)	Eligible Employees (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines)

Particulars	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders	Eligible Employees
	India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India and Systemically Important Non-Banking Financial Companies.			
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder that is specified in the ASBA Form at the time of submission of the ASBA Form ⁽³⁾⁽⁵⁾			

* Assuming full subscription in the Issue

** Anchor Investors will not be permitted to use the ASBA process. The Anchor Investor Application Form will be made available at the offices of the BRLMs

- (1) Our Company may, in consultation with the BRLMs may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis. 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 made to other Anchor Investors. For details, see "Issue Structure" on page 299.
- (2) Subject to valid Bids being received at or above the Issue Price. This Issue is being made in accordance with Rule 19(2)(b) of the SCRR.
- (3) Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Form. For details of terms of payment applicable to Anchor Investors, please see chapter entitled "Issue Procedure -Section 7: Allotment Procedure and Basis of Allotment" on page 336. Anchor Investors are not permitted to use the ASBA process.

In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the ASBA Form. The ASBA Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the ASBA Form and such First Bidder would be deemed to have signed on behalf of the joint holders. Further, a Bidder Bidding in the Employee Reservation Portion (subject to the Payment Amount being up to ₹ 500,000) can also Bid under the Net Issue and such Bids will not be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all portions.

- (4) In case of oversubscription in Retail Category, maximum number of Retail Individual Bidders who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to Retail Individual Bidders by the minimum Bid Lot ("Retail – Bid Lot Allottees"). The Allotment to Retail Individual Bidders will then be made in the following manner:
 - (i) In the event the number of Retail Individual Bidders who have submitted valid Bids in the Net Issue is equal to or less than Retail – Bid Lot Allottees, (i) all such Retail Individual Bidders shall be Allotted the minimum Bid Lot; and (ii) the balance Equity Shares, if any, remaining in the Retail Portion shall be Allotted on a proportionate basis to those Retail Individual Bidders who have applied for more than the minimum Bid Lot, for the balance demand of the Equity Shares Bid by them (i.e. the difference between the Equity Shares Bid and the minimum Bid Lot).
 - (ii) In the event number of Retail Individual Bidders who have submitted valid Bids in the Net Issue is more than the Retail – Bid Lot Allottees, those Retail Individual Bidders, who will be Allotted the minimum Bid Lot shall be determined the basis of draw of lots. In the event of a draw of lots, Allotment will only be made to such Retail Individual Bidders who are successful pursuant to such draw of lots.
- (5) Eligible Employees Bidding in the Employee Reservation portion can Bid up to a Bid Amount of ₹ 500,000 (excluding Employee Discount, if any). However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹ 200,000 (excluding Employee Discount, if any). In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000 (which will be less Employee Discount, if any). The unsubscribed portion if any, in the Employee Reservation Portion shall be added back to the Net

Issue. In case of under-subscription in the Net Issue, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion.

Subject to valid Bids being received at or above the Issue Price, under subscription, if any, in any category (including Employee Reservation Portion) except the QIB Category, would be met with spill-over from the other categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.

Employee Discount

Discount, if any, on the Issue Price will be offered to Eligible Employees. The rupee amount of the Employee Discount will be decided by our Company in consultation with the BRLMs. The amount of Employee Discount, will be advertised in all newspapers wherein the pre-issue advertisement will be published. For further details, see “Issue Procedure” on page 303.

ISSUE PROCEDURE

All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI and updated circular dated November 10, 2015 notified (CIR/CFD/POL/CYC/LL/11/2015 and SEBI circular bearing SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 (the “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 SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to reflect the enactments and regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue. The Designated Intermediaries in relation to the Issue should ensure compliance with the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 in relation to clarifications on streamlining the process of public issue of equity shares and convertibles.

Our Company and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus.

PART A

Book Building Procedure

The Issue is being made through the Book Building Process wherein not more than 50% of the Net Issue shall be Allotted to QIBs on a proportionate basis, provided that our Company in consultation with the BRLMs may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price such that, subject to the availability of Equity Shares, each Retail Individual Investor shall be Allotted not less than the minimum Bid Lot, and the remaining Equity Shares, if available, shall be allotted to all Retail Individual Investors on a proportionate basis.

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category (including Employee Reservation Portion), except in the QIB 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 BRLMs and the Designated Stock Exchange.

ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

In the event of under-subscription in the Employee Reservation Portion (post the initial Allocation of up to ₹ 200,000 per Eligible Employee), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000 (excluding Employee Discount, if any), subject to the maximum value of Allotment made to an Eligible Employee not exceeding ₹ 500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation to Eligible Employees with Bid Amounts over ₹ 200,000 up to a maximum of ₹ 500,000) (excluding Employee Discount, if any), shall be added to the Net Issue. Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis, subject to applicable law. However, undersubscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. In case of under subscription in the Net Issue, spill-over to the extent of undersubscription shall be

permitted to be met with spill over from the Employee Reservation Portion, subject to compliance with Rule 19(2)(b) of the SCRR.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Bid cum Application Form

Copies of the ASBA Form and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centers, and the Registered and Corporate Office of our Company. An electronic copy of the ASBA Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Issue Opening Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected. Anchor Investors are not permitted to participate in the Issue through the ASBA process.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centers only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected.

For Anchor Investors, the Anchor Investor Application Form will be available at the offices of the BRLMs.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis**	White
Non-Residents including Eligible NRIs their sub-accounts (other than sub-accounts which are foreign corporates or foreign individuals under the QIB Category), FPIs or FVCIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis**	Blue
Anchor Investors (Anchor Investors Application forms will be made available only at the Office of the BRLMs)	White
Eligible Employees Bidding under the Employee Reservation Portion	Pink

**Excluding electronic Bid cum Application Form; The colour of ASBA Forms, will be included in the Red Herring Prospectus.*

*** Electronic Bid cum Application forms will also be available for download on the website of the NSE (www.nseindia.com) and the BSE (www.bseindia.com)*

Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms to the respective SCSB, where the Bidder has a bank account with ASBA facility, details of which were provided by the Bidder in his respective ASBA form and shall not submit it to any non-SCSB bank or any Escrow Collection Bank(s).

Participation by our Promoters, Promoter Group, the BRLMs the Syndicate Members and persons related to the Promoters/Promoter Group/ the BRLMs

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither the BRLMs nor any persons related to the BRLMs (other than Mutual Funds sponsored by entities related to the BRLMs), our Promoters and the Promoter Group and any persons related to our Promoters and the Promoter Group can apply in the Issue under the Anchor Investor Portion.

Who Can Bid?

In addition to the category of Bidders set forth under the section “*Issue Procedure – Part B - General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Issue*” on page 317, any other persons eligible to Bid in the Issue under the applicable laws, rules, regulations, guidelines, and policies are also eligible to invest in the Equity Shares.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in 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.

Bids by Anchor Investors

For details in relation to Bids by Anchor Investors, see the chapter entitled “*Issue Procedure – Part B – General Information Document for Investing in Public Issues*” on page 314.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries, BRLMs at select locations as specified in the Bid cum Application Form. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary (“NRO”) accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Bids by FPIs

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% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI is required to be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the total holdings of all FPIs put together is not permitted to exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by our 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 shall be included. The FEMA Regulations also provide that in case the total holding of an FPI in an Indian company increases to 10% or more of the total paid-up equity capital on a fully diluted basis, the total investment made by the FPI shall be re-classified as FDI subject to the conditions as

specified by the SEBI and the RBI and compliance by the investee company and the investor with the reporting requirements prescribed under the FEMA Regulations.

The existing individual and aggregate investment limits for an FPI in our Company are 10% and 24 % 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, RBI and SEBI 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 investors and unregulated broad based funds, which are classified as Category II foreign portfolio investors by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, or unlisted debt securities or securitised debt instruments as its underlying assets) 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.

An FPI is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to the following conditions:

- (a) offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Further, where an investor has investments as FPI and also holds positions as an overseas direct investment subscriber, investment restrictions under the SEBI FPI Regulations shall apply on the aggregate of FPI investments and overseas direct investment positions held in the underlying Indian company.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations *inter-alia* prescribe the investment restrictions on VCFs, FVCIs and AIFs registered with SEBI.

The holding by any individual VCF or FVCI registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF or FVCI. 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 will not launch any new scheme after the notification of the SEBI AIF Regulations. Our Company and the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs. All Bidders (except Eligible Employees Bidding in the Employee Reservation Portion) will be treated on the same basis with other categories for the purpose of allocation.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids 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 Bid cum Application Form, failing which our Company in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, as per the last audited balance sheet or a subsequent balance sheet, whichever is lower. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company, including overseas investments, cannot exceed 20% of the investee company's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important Non-Banking Financial Companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid-cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

Bids by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars (No. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) 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 ASBA Bids.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 as amended are broadly set forth below:

- (a) Limit for the investee company: The lower of (i) 10%* of the investee company's outstanding equity shares or (ii) 10% of such funds and reserves of the insurer as specified under the IRDAI Investment Regulations in case of life insurer or 10% of the investment assets of the insurer as permitted under the Insurance Act and the IRDAI Investment Regulations in case of general insurer or reinsurer or health insurer;
- (b) Limit for the entire group of the investee company: Not more than 15% of such funds and reserves of the insurer as specified under the IRDAI Investment Regulations in case of a life insurer or 15% of the investment assets of the insurer as permitted under the Insurance Act and the IRDAI Investment Regulations in case of a general insurer or reinsurer or health insurer; and

- (c) Limit for the industry sector to which the investee company belongs: Not more than 15% of such funds and reserves as specified under the IRDAI Investment Regulations in case of a life insurer or 15% of the investment assets as permitted under the Insurance Act and the IRDAI Investment Regulations in case of a general insurer or a reinsurer or health insurer.

* The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 500,000 million or more but less than ₹ 2,500,000 million.

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserves the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, Systemically Important Non-Banking Financial Companies, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund 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 Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLMs in its absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important Non-Banking Financial Companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements and a net worth certificate from its statutory auditor(s), must be attached to the Bid-cum Application Form.

Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof. Systemically important non-banking financial companies participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

Bids by Eligible Employees

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹ 500,000. The initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000. However, Allotments to Eligible Employees in excess of ₹ 200,000 up to ₹ 500,000 shall be considered on a proportionate basis, in the event of under subscription in the Employee Reservation Portion. Subsequent under subscription, if any, in the Employee Reservation Portion shall be added back to the Net Issue. Eligible Employees under the Employee Reservation Portion may Bid at Cut-off Price.

Bids under Employee Reservation Portion by Eligible Employees shall be:

- Made only in the prescribed Bid cum Application Form or Revision Form (i.e. pink colour form).
- Only Eligible Employees (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) as on the date of the Red Herring Prospectus would be eligible to apply in this Issue under the Employee Reservation Portion.

- In case of joint bids, the sole/ First Bidder shall be the Eligible Employee.
- Bids by Eligible Employees may be made at Cut-off Price.
- Such Bidders can place their Bids by only using the ASBA process.
- Only those Bids, which are received at or above the Issue Price, would be considered for allocation under this portion.
- The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. Bids by Eligible Employees (subject to Bid Amount being upto ₹ 500,000) in the Employee Reservation Portion and in the Retail portion shall not be treated as multiple Bids. However, Bids by Eligible Employees in the Employee Reservation Portion and the in the Non Institutional portion shall be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all portions. For further details, see “– *Multiple Bids*” on page 324.
- Eligible Employees should provide the details of the depository accounts including DP ID, Client ID and PAN as well as employee number in the relevant space in the Bid-cum-Application Form.
- If the aggregate demand in this portion is less than or equal to [●] Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- If the aggregate demand in this portion is greater than [●] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, see “*Issue Procedure – Part-B - Basis of Allotment*” on page 336.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus. The investment limits for Systemically Important Non-Banking Financial Companies shall be as prescribed by RBI from time to time.

General Instructions

Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Center within the prescribed time;
6. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;
7. If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
9. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

10. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;
11. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
12. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment slip;
13. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the court, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, ii) submitted by investors who are exempt from the requirement of obtaining/ specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of the SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts for investors who are exempt from the requirement of obtaining/ specifying their PAN for transacting in the securities market 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;
14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
16. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;
17. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
18. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;
19. Ensure that the depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database; and
20. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders) and ₹ 500,000 for Bids by Eligible Employees in the Employee Reservation Portion;
3. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
6. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
7. Do not submit the Bid for an amount more than funds available in your ASBA account.
8. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
9. Do not submit more than five Bid cum Application Forms per ASBA account;
10. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
11. Do not Bid 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).
12. Do not submit a Bid/revise the Bid Amount, to a price less than the Floor Price or higher than the Cap Price;
13. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
14. Do not Bid for shares more than specified by respective Stock Exchanges for each category;
15. Do not fill up the Bid cum Application Form such that the number of Equity Shares Bid for exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of this Red Herring Prospectus;
16. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder;
17. Do not submit Bids to a Designated Intermediary unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in that location for the Designated Intermediary to deposit the Bid cum Application Forms;
18. Anchor investors should not bid through the ASBA process; and

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Payment into Escrow Account for Anchor Investors

Our Company in consultation with the BRLMs, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- (a) In case of resident Anchor Investors: “[●]”
- (b) In case of Non-Resident Anchor Investors: “[●]”

Pre- Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) [●] editions of English national newspaper [●]; (ii) [●] editions of Hindi national newspaper [●]; and (iii) [●] editions of Marathi newspaper [●], each with wide circulation.

In the pre-Issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/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 ICDR Regulations.

The above information is given for the benefit of the Bidders/applicants. Our Company, the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and the RoC Filing

- (a) Our Company and the Syndicate intend to enter into an Underwriting Agreement after the finalisation of the Issue Price.
- (b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, the Anchor Investor Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

“Any person who:

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or***
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or***
- (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.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Forms from Anchor Investors.
- it shall not have any recourse to the proceeds of the Issue until final listing and trading approvals have been received from the Stock Exchanges;
- the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- 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 shall be taken within six Working Days of the Bid/Issue Closing Date;
- if Allotment is not made within the prescribed time period under applicable law, application money will be refunded/unblocked in ASBA Account within 15 days from the Bid/Issue Closing Date or such lesser

time as specified by SEBI, failing which interest will be due to be paid to the Bidders at the rate of 15% per annum for the delayed period;

- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- Promoters' contribution, if any, shall be brought in advance before the Bid/Issue Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees.
- the certificates of the securities/refund orders to Eligible NRIs shall be despatched within specified time; and
- Except for allotment pursuant to ESOP, no further issue of the Equity Shares shall be made till the Equity Shares issued through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

Utilisation of Issue Proceeds

Our Board of Directors certify that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- details of all monies utilised out of the Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
- details of all unutilised monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested;
- the utilisation of monies received under the Promoter's contribution, if any, shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- the details of all unutilised monies out of the funds received under the Promoter's contribution, if any, shall be disclosed under a separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

PART B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Issue.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price Issue. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“**SEBI ICDR Regulations**”).

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus (“**RHP**”)/Prospectus filed by the Issuer with the Registrar of Companies (“**RoC**”). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the **BRLM(s)** to the Issue and on the website of Securities and Exchange Board of India (“**SEBI**”) at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may see “*Glossary and Abbreviations*” on page 342.

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, the 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. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include offer for sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/ Regulation 27 of the SEBI ICDR Regulations. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable),

the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, an Issuer can either determine the Issue Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Issue (“**Fixed Price Issue**”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/ Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/ Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

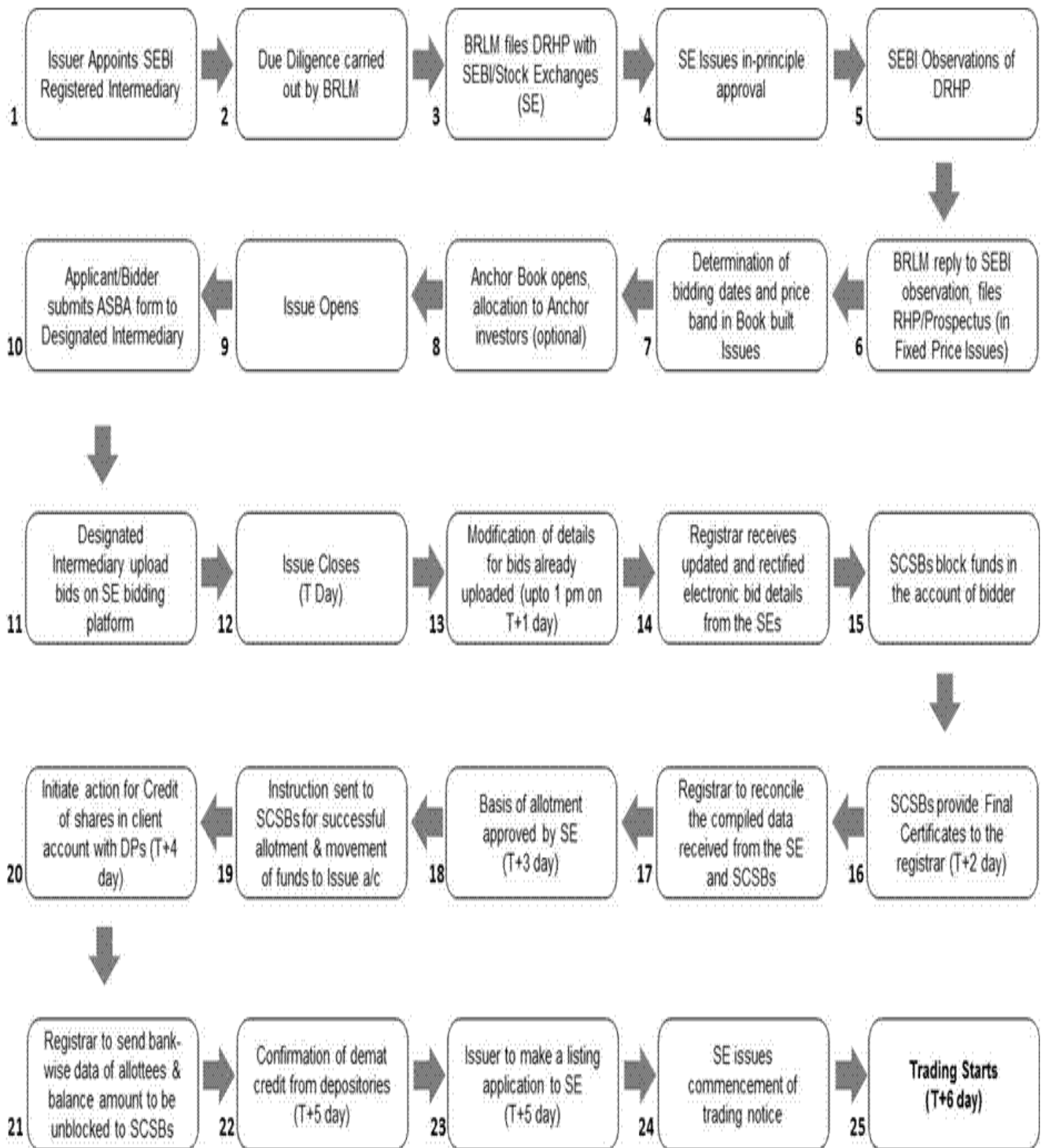
The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/ Issue Period. Details of Bid/ Issue Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/ Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges, and the BRLM, and the advertisement in the newspaper(s) issued in this regard.

2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs:

- In case of Issue other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:
 - (i) Step 7 : Determination of Issue Date and Price
 - (ii) Step 10: Applicant submits ASBA Form with any of the Designated Intermediaries



SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations and other laws, as applicable);
- FPIs other than Category III foreign portfolio investors Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIBs category;
- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares;
- 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;
- 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; and
- 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) bearing the stamp of a 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 and Corporate Office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/ Issue Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

Fixed Price Issue: Applicants should only use the specified Bid cum Application Form bearing the stamp of the relevant Designated Intermediaries, as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the Registered and Corporate Office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Colour of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non-repatriation basis	White
NRIs and FVCIs their sub-accounts (other than sub-accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs, on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders Bidding/applying in the reserved category	As specified by the Issuer

Securities issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to Allotment.

4.1 INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM/APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

TEAR HERE

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R		FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRI ¹ APPLYING ON A NON-REPATRIATION BASIS
	Address :	Contact Details:	

LOGO TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE
ISIN :

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 Tel. No (with STD code) / Mobile
Sub-Broker's / Sub-Agent's Stamp & Code	Broker/SCSB Branch Stamp & Code	
Bank Branch Serial No.	SCSB Serial No.	
		2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL		5. CATEGORY <input type="checkbox"/> Retail Individual Bidder <input type="checkbox"/> Non-Institutional Bidder <input type="checkbox"/> QIB
For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID		
4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")		
Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 0.05 only) (In Figures)
		Bid Price Retail Discount Net Price "Cut-off" (Please tick)
Option 1		
OR Option 2		
OR Option 3		

6. INVESTOR STATUS

☐ Individual(s) - IND

☐ Hindu Undivided Family² - HUF

☐ Bodies Corporate - CO

☐ Banks & Financial Institutions - FI

☐ Mutual Funds - MF

☐ Non-Resident Indian - NRI (Non-Repatriation bids)

☐ National Investment Fund - NIF

☐ Insurance Funds - IF

☐ Insurance Companies - IC

☐ Venture Capital Funds - VCF

☐ Alternative Investment Funds - AIF

☐ Others (Please specify) - OTH

¹ HUF should apply only through Karta
² Application by HUF would be treated on par with bid (individual)

7. PAYMENT DETAILS		PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>
Amount paid (₹ in figures)		(₹ in words)
ASBA Bank A/c No.		
Bank Name & Branch		
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ANNEXURE PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDER'S UNDERTAKING" AT GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILING OF THE BID CUM APPLICATION FORM GIVEN OVERLEAF.		

8A. SIGNATURE OF SOLE / FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid to Stock Exchange system)
Date :	I/We authorize the SCSB to debit all necessary amounts for the Application in the form 1) 2) 3)	

TEAR HERE

LOGO	XYZ LIMITED INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for Broker/SCSB/ DP/RTA	Bid cum Application Form No.
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PAN of Sole / First Bidder

DPID / CLID	
-------------	--

Amount paid (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch
ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile	Email	

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - R	Option 1	Option 2	Option 3	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder
	No. of Equity Shares				
	Bid Price				
	Amount Paid (₹)				
	ASBA Bank A/c No.				Acknowledgement Slip for Bidder
Bank & Branch					

TEAR HERE

TEAR HERE

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - NR		FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIs OR FVCIs, ETC APPLYING ON A REPATRIATION BASIS
	Address : _____	Contact Details : _____ CIN No. _____	

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE
ISIN : _____

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 _____ Tel. No (with STD code) / Mobile _____
Sub-Broker's / Sub-Agent's Stamp & Code	Escrow Bank/SCSB Branch Stamp & Code	
Bank Branch Serial No.	SCSB Serial No.	2. PAN OF SOLE / FIRST BIDDER _____

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL		6. INVESTOR STATUS <input type="checkbox"/> NRI Non-Resident Indian(s) (Repatriation basis) <input type="checkbox"/> FII FII or Sub-account not a Corporate/Foreign Individual <input type="checkbox"/> FPIA FII Sub-account Corporate/Individual <input type="checkbox"/> FVCI Foreign Venture Capital Investor <input type="checkbox"/> FPI Foreign Portfolio Investors <input type="checkbox"/> OTH Others (Please Specify) _____
For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID		
4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")		
Bid Options	No. of Equity Shares Bid (In Figures) (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)
Option 1		<input type="checkbox"/> Retail Individual Bidder
(OR) Option 2		<input type="checkbox"/> Non-Institutional Bidder
(OR) Option 3		<input type="checkbox"/> QIB

7. PAYMENT DETAILS	PAYMENT OPTION - FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>
Amount paid (₹ in figures) _____ (₹ in words) _____	

ASBA Bank A/c No. _____	Bank Name & Branch _____
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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 ANNEXED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERSTANDING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE / FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) I/We authorize the SCSB to do all acts as are necessary to make the Application in the name: 1) _____ 2) _____ 3) _____	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
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LOGO	XYZ LIMITED INITIAL PUBLIC ISSUE - NR	Acknowledgement Slip for Broker/SCSB/DP/RTA	Bid cum Application Form No. _____
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DPID / CLID	PAN of Sole / First Bidder
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Amount paid (₹ in figures) _____ Bank & Branch _____	Stamp & Signature of SCSB Branch
ASBA Bank A/c No. _____	
Received from Mr./Ms. _____	
Telephone / Mobile _____ Email _____	

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR	Option 1	Option 2	Option 3	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder _____
	No. of Equity Shares				
	Bid Price				
	Amount Paid (₹)				
ASBA Bank A/c No. _____	Acknowledgement Slip for Bidder				Bid cum Application Form No. _____
Bank & Branch _____					

TEAR HERE

4.1.1 **FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT**

- (a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- (b) **Mandatory Fields:** Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid cum Application Form/Application Form may be used to dispatch communications in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the Designated Intermediaries and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- (c) **Joint Bids/Applications:** In the case of Joint Bids/Applications, the Bids/Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders.
- (d) **Impersonation:** Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

- (d) ***makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or***
- (e) ***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***
- (f) ***otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,***

shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

- (e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of Allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

4.1.2 **FIELD NUMBER 2: PAN OF SOLE/FIRST BIDDER/APPLICANT**

- (a) PAN (of the sole/first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person in whose sole or first 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, Bids/Applications by investors who are exempt from the requirement of obtaining/ specifying their PAN for transacting in the securities market and Bids/Applications by Bidders/Applicants residing in

Sikkim (“PAN Exempted Bidders/Applicants”). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected. A Bid-cum-Application Form without PAN, except in a case of Exempted Bidders / Applicants, is liable to be rejected.

- (c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- (d) Bid cum Application Forms which provide the GIR Number instead of PAN may be rejected.
- (e) Bids/Applications by Bidders/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: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS**

- (a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form is liable to be rejected.**
- (b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.
- (c) Bidders/Applicants should note that on the basis of the DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for other correspondence(s) related to an Issue.
- (d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants’ sole risk.

4.1.4 **FIELD NUMBER 4: BID OPTIONS**

- (a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/ Issue Opening Date in case of an IPO, and at least one Working Day before Bid/ Issue Opening Date in case of an FPO.
- (b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs/FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (for further details Bidders may refer to Section 5.6 (e)).
- (c) **Cut-Off Price:** Retail Individual Bidders 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 NIBs and such Bids from QIBs and NIBs 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 RIB shall not be less than the minimum Bid Lot, subject to availability of shares in the RIB category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 Maximum and Minimum Bid Size

- (a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Bidders, 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 ₹ 200,000.
- (b) In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.
- (c) For NRIs, a Bid Amount of up to ₹ 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- (d) Bids by QIBs and NIBs must be for such minimum number of shares such that the Bid Amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. NIBs and QIBs are not allowed to Bid at Cut-off Price.
- (e) RIBs may revise or withdraw their Bids till closure of the bidding period. QIBs and NIBs 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 ₹ 200,000 or less due to a revision of the Price Band, Bids by the NIBs 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 Allocation 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 Allocation 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 highest 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:
 - (i) All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
 - (ii) For Bids from Mutual Funds, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- (c) The following Bids may not be treated as multiple Bids:
 - (i) Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Issue portion in public category.
 - (ii) 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.
 - (iii) Bids by Mutual Funds submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
 - (iv) Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.5 FIELD NUMBER 5: CATEGORY OF BIDDERS/APPLICANTS

- (a) The categories of Bidders identified as per the SEBI ICDR Regulations for the purpose of Bidding, allocation and Allotment in the Issue are RIBs, NIBs 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, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, Bidders may refer to the RHP/Prospectus.
- (c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations. For details of any reservations made in the Issue, Bidders/Applicants may refer to the RHP/Prospectus.
- (d) The SEBI ICDR Regulations, specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

4.1.6 **FIELD NUMBER 6: INVESTOR STATUS**

- (a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.
- (c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- (d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

- (a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provided in the ASBA Form. If Discount is applicable in the Issue, RIBs should indicate the full Bid Amount in the Bid cum Application Form and funds shall be blocked for the Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- (b) RIBs who Bid at Cut-off Price shall arrange to block the Bid Amount based on the Cap Price.
- (c) All Bidders (except Anchor Investors) have to 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 direct credit, NACH, RTGS or NEFT.
- (c) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

4.1.7.2 **Payment instructions for ASBA Bidders**

- (a) Bidders may submit the ASBA Form either
 - (i) 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
 - (ii) 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, cheque, 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) 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 should submit the Bid cum Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations.
- (g) Bidders bidding through a Designated Intermediary, other than a SCSB, should note that ASBA Forms submitted to such Designated Intermediary 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 such Designated Intermediary, to deposit ASBA Forms.
- (h) Bidders bidding directly through the SCSBs should ensure that the ASBA Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (i) Upon receipt of the ASBA 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 ASBA 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 accept such Bids and such bids are liable to be rejected.
- (l) Upon submission of a completed ASBA 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 ASBA 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, 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 ASBA 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 RIB category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.
- (c) The Bidders entitled to the applicable Discount in the Issue may block the Bid Amount less Discount.

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 RIB category.

4.1.8 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- (a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/ Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the Bidder/Applicant, then the Signature of the ASBA Account holder(s) is also required.
- (c) The signature has to be correctly affixed in the authorisation/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.
- (d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and/or ASBA Account holder is liable to be rejected.

4.1.9 **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- (a) Bidders should ensure that they receive the Acknowledgment Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the ASBA Form.
- (b) All communications in connection with Bids made in the Issue may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder/Applicant, Bid cum Application Form number, Bidders'/Applicants' DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, the investor shall also enclose a copy of the Acknowledgment Slip duly received from the Designated Intermediaries in addition to the information mentioned hereinabove.

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

4.2 **INSTRUCTIONS FOR FILING THE REVISION FORM**

- (a) During the Bid/ Issue Period, any Bidder/Applicant (other than QIBs and NIBs, 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) RIB may revise their bids or withdraw their Bids till the Bid/ Issue Closing Date.
- (c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

- (d) The Bidder/Applicant can make this revision any number of times during the Bid/ Issue Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:

COMMON BID REVISION FORM		XYZ LIMITED - INITIAL PUBLIC ISSUE - R		FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS																					
Address : _____		Contact Details: _____		CIN No. _____																					
TO: THE BOARD OF DIRECTORS XYZ LIMITED		BOOK BUILT ISSUE ISIN : _____		Bid cum Application Form No. _____																					
SYNDICATE MEMBER'S STAMP & CODE		BROKER/SCSB/DP/RTA STAMP & CODE		1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER																					
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE		BROKER/SCSB/DP/RTA BRANCH STAMP & CODE		Mr./Ms. _____ Address _____ Tel. No (with STD code) / Mobile _____ E-mail _____																					
BANK BRANCH SERIAL NO.		SCSB SERIAL NO.		2. PAN OF SOLE / FIRST BIDDER _____																					
				3. BIDDER'S DEPOSITORY ACCOUNT DETAILS _____ For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID																					
PLEASE CHANGE MY BID																									
4. FROM (AS PER LAST BID OR REVISION)																									
Bid Options	No. of Equity Shares Bid (Below must be in multiples of Bid Lot as advertised) (In Figure)				Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figure)																				
	<table border="1" style="width: 100%; text-align: center;"> <tr> <td>8</td><td>7</td><td>6</td><td>5</td><td>4</td><td>3</td><td>2</td><td>1</td> </tr> </table>				8	7	6	5	4	3	2	1	<table border="1" style="width: 100%; text-align: center;"> <tr> <td>Bid Price</td><td>Retail Discount</td><td>Net Price</td><td>"Cut-off"</td> </tr> <tr> <td>3</td><td>2</td><td>1</td><td>3</td><td>2</td><td>1</td><td>3</td><td>2</td><td>1</td> </tr> </table>	Bid Price	Retail Discount	Net Price	"Cut-off"	3	2	1	3	2	1	3	2
8	7	6	5	4	3	2	1																		
Bid Price	Retail Discount	Net Price	"Cut-off"																						
3	2	1	3	2	1	3	2	1																	
Option 1																									
(OR) Option 2																									
(OR) Option 3																									
5. TO (Revised Bid) (Only Retail Individual Bidders can Bid as "Cut-off")																									
Bid Options	No. of Equity Shares Bid (Below must be in multiples of Bid Lot as advertised) (In Figure)				Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figure)																				
	<table border="1" style="width: 100%; text-align: center;"> <tr> <td>8</td><td>7</td><td>6</td><td>5</td><td>4</td><td>3</td><td>2</td><td>1</td> </tr> </table>				8	7	6	5	4	3	2	1	<table border="1" style="width: 100%; text-align: center;"> <tr> <td>Bid Price</td><td>Retail Discount</td><td>Net Price</td><td>"Cut-off"</td> </tr> <tr> <td>3</td><td>2</td><td>1</td><td>3</td><td>2</td><td>1</td><td>3</td><td>2</td><td>1</td> </tr> </table>	Bid Price	Retail Discount	Net Price	"Cut-off"	3	2	1	3	2	1	3	2
8	7	6	5	4	3	2	1																		
Bid Price	Retail Discount	Net Price	"Cut-off"																						
3	2	1	3	2	1	3	2	1																	
Option 1																									
(OR) Option 2																									
(OR) Option 3																									
6. PAYMENT DETAILS																									
Additional Amount Paid (₹ in figure) _____		₹ in words _____																							
ASBA Bank A/c No. _____		PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>																							
Bank Name & Branch _____																									
<small>WE, THE SIGNER OF THIS APPLICATION, I AM HEREBY CONFIRMING THAT WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THE BID REVISION FORM AND HAVE ACCEPTED THE SAME. WE HAVE ALSO READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THE BID REVISION FORM AND HAVE ACCEPTED THE SAME. WE HAVE ALSO READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THE BID REVISION FORM AND HAVE ACCEPTED THE SAME. WE HAVE ALSO READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THE BID REVISION FORM AND HAVE ACCEPTED THE SAME.</small>																									
7A. SIGNATURE OF SOLE / FIRST BIDDER		7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)		BROKER / SCSB / DP / RTA STAMP (A stamp not to be placed on the Bid in Block & to be kept separate)																					
Date : _____		If we authorize the ASBA to debit our account to fund the Application in the form 1) _____ 2) _____ 3) _____																							
TEAR HERE																									
LOGO		XYZ LIMITED BID REVISION FORM - INITIAL PUBLIC ISSUE - R		Acknowledgement Slip for Broker/SCSB/ DP/RTA																					
				Bid cum Application Form No. _____																					
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.		Email																							
Telephone / Mobile																									
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																					
		Acknowledgement Slip for Bidder																							
No. of Equity Shares		Bid Price		Additional Amount Paid (₹)																					
ASBA Bank A/c No.		Bank & Branch		Bid cum Application Form No. _____																					

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/APPLICANTS, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'

- (a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.
- (b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.
- (c) In case of revision of Bids by RIBs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000. In case the Bid Amount exceeds ₹200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIBs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.
- (d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the RIB 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, where possible, shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RIB and the RIB is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIBs 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 after the allotment is finalised.

4.2.3 FIELD 6: PAYMENT DETAILS

- (a) All Bidders/Applicants are required to authorise that the full Bid Amount (less Discount (if applicable)) is blocked in the ASBA Account. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- (b) Bidder/Applicants may issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable)) in the ASBA Account, to the same Designated Intermediary through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- (c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹ 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for, where possible, may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.

- (d) In case of a downward revision in the Price Band, RIBs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount blocked at the time of Bidding may be unblocked after the finalisation of basis of allotment.

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 Issue Price or Price Band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).
- (b) **Minimum Application Value and Bid Lot:** The Issuer 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 Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- (c) Applications by RIBs 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 the Eligible Employees under the Employee Reservation Portion, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 500,000 on a net basis. However, Allotment to an Eligible Employee in the Employee Reservation Portion may exceed ₹ 200,000 (which will be less Employee Discount) only in the event of an under-subscription in the Employee Reservation Portion and such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (which will be less Employee Discount). The initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000.
- (e) 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.
- (f) An application cannot be submitted for more than the Issue size.
- (g) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- (h) **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.
- (i) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:

- (i) All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds Applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.
- (ii) For applications from Mutual Funds submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- (j) The following applications may not be treated as multiple Bids:
 - (i) Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Issue portion in public category.
 - (ii) 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.
 - (iii) Applications by Mutual Funds 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 for the purpose of Bidding, allocation and Allotment in the Issue are RIBs, individual applicants other than RIB'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. For details of any reservations made in the Issue, applicants may refer to the Prospectus.
- (c) The SEBI ICDR Regulations 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 of ASBA for applying in the Issue
- (b) Application Amount cannot be paid in cash, through money order, cheque, demand draft or through postal order or through stock invest.

4.3.5.1 **Payment instructions for Applicants**

Applicants should refer to instructions contained in paragraphs 4.1.7.2.

4.3.5.2 **Unblocking of ASBA Account**

Applicants should refer to instructions contained in paragraphs 4.1.7.2.1.

4.3.5.3 **Discount** (if applicable)

Applicants should refer to instructions contained in paragraphs 4.1.7.3.

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/APPLICATION FORM/REVISION 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	1) To the Book Running Lead Managers at the locations mentioned in the Anchor Investors Application Form
ASBA Form	1) 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 2) To the Designated Branches of the SCSBs

- (a) Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid.
- (b) Upon submission of the Bid cum Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.
- (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. The Issue Price is finalised after the Bid/ Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

5.1 **SUBMISSION OF BIDS**

- (a) During the Bid/ Issue Period, Bidders/Applicants may approach 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 Managers, to register their Bid.
- (b) In case of Bidders/Applicants (excluding NIBs and QIBs) Bidding at Cut-off Price, the Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).
- (c) For details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

5.2 **ELECTRONIC REGISTRATION OF BIDS**

- (a) The 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 and as disclosed in the Red Herring Prospectus.
- (c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1 p.m. on the next Working Day following the Bid/ Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/ Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

5.3 BUILD UP OF THE BOOK

- (a) Bids received from various Bidders/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/ Issue Period.
- (b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding Centres during the Bid/ Issue Period.

5.4 WITHDRAWAL OF BIDS

- (a) RIBs can withdraw their Bids until Bid/ Issue Closing Date. In case a RIB 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 upon or after the finalisation of basis of allotment. QIBs and NIBs 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:
 - (i) the Bids accepted by the Designated Intermediary,
 - (ii) the Bids uploaded by the Designated Intermediary, and
 - (iii) the Bid cum application forms accepted but not uploaded by the Designated Intermediary.
- (b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all 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, NIBs & RIBs Bidders can be rejected on technical grounds listed herein.

5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms/Application Forms 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, 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 accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Accounts maintained with an SCSB;
- (c) Bids/Applications by OCBs;
- (d) 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;
- (e) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust, etc., relevant documents are not being submitted along with the Bid cum application form;
- (f) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- (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 Forms 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) DP ID and Client ID not mentioned in the Bid cum Application Form / Application Form;
- (k) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- (l) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;
- (m) Bids/Applications at Cut-off Price by NIBs and QIBs;
- (n) The amounts mentioned in the Bid cum Application Form/Application Forms do not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- (o) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- (p) Submission of more than five ASBA Forms/Application Forms per ASBA Account;
- (q) Bids/Applications for number of Equity Shares which are not in multiples of Equity Shares as specified in the RHP;
- (r) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;
- (s) Bids not uploaded in the Stock Exchanges bidding system;
- (t) Bid cum Application Form / Application Forms are not delivered by the Bidders / Applicants within the time prescribed as per the Bid cum Application Form / Application Form, Bid / Issue Closing Date Advertisement;

- (u) Inadequate funds in the bank account to block the Bid/Application Amount specified in the ASBA Form/Application Form at the time of blocking such Bid/Application Amount in the bank account;
- (v) Where no confirmation is received from SCSB for blocking of funds;
- (w) Bids/Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;
- (x) Bids/Applications submitted to Designated Intermediaries at locations other than the Bidding Centers or 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;
- (y) Bids/Applications not uploaded on the terminals of the Stock Exchanges;
- (z) 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 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP/Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP/Prospectus.
- (b) Under-subscription in any category (except QIB Portion) is allowed to be met with spill-over 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. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- (c) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.
- (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 company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription
500	24	500	16.70%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.70%
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 Book Running Lead Managers, will finalise the issue price at or below such cut-off price, i.e., at or below ₹ 22.00. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding (“**Alternate Book Building Process**”).

The Issuer may specify the Floor Price in the RHP 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. RIBs, NIBs 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 offer to the public category is made as follows: minimum fifty per cent to Retail Individual Bidders; and remaining to (i) individual investors other than Retail Individual Bidders; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Bidders and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Bidder will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Bidder 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 Net 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 RIBs

Bids received from the RIBs 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 RIBs 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 RIBs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot (“**Maximum RIB Allottees**”). The Allotment to the RIBs will then be made in the following manner:

- (a) In the event the number of RIBs who have submitted valid Bids in the Issue is equal to or less than Maximum RIB Allottees, (i) all such RIBs 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 RIBs 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 RIBs who have submitted valid Bids in the Issue is more than Maximum RIB Allottees, the RIBs (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 NIBS

Bids received from NIBs at or above the Issue Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIBs 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 NIBs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or RHP/Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

- (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for 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 BRLMs, subject to compliance with the following requirements:
 - (i) not more than 60% of the QIB Category will be allocated to Anchor Investors;
 - (ii) 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
 - (iii) allocation to Anchor Investors shall be on a discretionary basis and subject to:
 - a maximum number of two Anchor Investors for allocation up to ₹ 100 million;

- a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 100 million and up to ₹ 2,500 million subject to minimum Allotment of ₹ 50 million per such Anchor Investor; and
 - a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million or part thereof, subject to minimum Allotment of ₹ 50 million per such Anchor Investor.
- (b) An Anchor Investor shall make an application of a value of at least ₹100 million in the Issue.
- (c) 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.
- (d) **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 Allocation 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.
- (e) **In the event the Issue Price is lower than the Anchor Investor Allocation 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), NIBs 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.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- (a) Bidders may be categorized according to the number of Equity Shares applied for;
- (b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- (c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;
- (d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- (e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all Bidders in such categories may be arrived at after such rounding off; and

- (f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.

- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Issue.

- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within six Working Days of the Bid/ Issue Closing Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer shall 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 initiate corporate action for credit to Equity Shares the beneficiary account with Depositories within six Working Days of the Bid/ Issue Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ₹ 5 lakhs but which may extend to ₹ 50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹ 50,000 but which may extend to ₹ 3 lakhs, or with both.

If the permissions to deal in and an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from Bidders/Applicants.

If such money is not refunded to the Bidders/Applicants within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Issue, 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.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 Working Days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The 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 comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to Allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

- (a) **In case of ASBA Bids:** 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 Accounts for unsuccessful Bids or for any excess amount blocked on Bidding.
- (b) **In case of Anchor Investors:** Within six Working Days of the Bid/ Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.
- (c) In case of Anchor Investors, the Registrar to the Issue may obtain from the depositories the Bidders' 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) **NACH**—National Automated Clearing House which is a consolidated system of ECS. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the

refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS;

- (b) **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;
- (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.
- (d) **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;

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, Anchor Investors may refer to RHP/Prospectus.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum if Allotment is not made and refund instructions have not been given to the clearing system in the disclosed manner/instructions for unblocking of funds in the ASBA Account are not dispatched within the 15 days of the Bid/ Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/ Issue Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders/Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations and the Red Herring 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 Red Herring Prospectus and Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by Blocked Amount /ASBA	An application, whether physical or electronic, used by ASBA Bidders/Applicants, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
Application Supported by Blocked Amount Form /ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders/Applicants, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder
ASBA Bidder	All Bidders/Applicants except Anchor Investors
Banker(s) to the Issue /Escrow Collection Bank(s)/Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account(s) for Anchor Investors may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Issue
Bid	An indication to make an offer during the Bid/ Issue Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/ Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires

Term	Description
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 newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/ Issue Closing Date
Bid/ Issue Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/ Issue Opening Date
Bid/ Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date inclusive of both days and during which prospective ASBA Bidders/Applicants 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. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/ Issue Period
Bidder/Applicant	Any prospective investor who makes a Bid/Application pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicants 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, in terms of which the Issue is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the ASBA 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.
BRLMs/Book Running Lead Managers/Lead Manager/LM	The Book Running Lead Managers to the Issue as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Managers should be construed to mean the Lead Manager or LM
Business Day	Monday to Saturday (except 2 nd and 4 th Saturday of a month and public holidays)
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/ Issue Period
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 Managers, which can be any price within the Price Band. Only RIBs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number

Term	Description
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (excluding Anchor Investors) and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA 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 ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the Issue
Designated Intermediaries	Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the ASBA Bidders, in relation to the Issue
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity Shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors may transfer money through NEFT/RTGS/direct credit 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 Managers, the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Issue
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form

Term	Description
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, in terms of which the Issue is being made
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Maximum RIB Allottees	The maximum number of RIBs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NACH	National Automated Clearing House
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion
Non Institutional Bidders or NIBs	All Bidders/Applicants 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 NIBs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Issue	Public issue of Equity Shares of the Issuer

Term	Description
Other Investors	Investors other than Retail Individual Bidders in a Fixed Price Issue. These include individual applicants other than Retail Individual Bidders and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Managers
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 Managers 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 Managers, 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	A Bank 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
RTGS	Real Time Gross Settlement
Red Herring Prospectus/RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are issued and the size of the Issue. The RHP may be filed with the RoC at least three days before the Bid/ Issue Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue /RTO	The Registrar to the Issue as disclosed in the RHP/Prospectus and Bid cum Application Form
Reserved Category/Categories	Categories of persons eligible for making application/Bidding under reservation portion
Reservation Portion	The portion of the Issue reserved for such category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations

Term	Description
Retail Individual Bidders/RIBs	Investors who applies or bids for a value of not more than ₹ 200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIBs which shall not be less than the minimum Bid Lot, subject to availability in RIB category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Specified Locations	Refer to definition of Broker Centers
Stock Exchanges/SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Book Running Lead Managers and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of ASBA Forms by Syndicate Members
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Managers 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	It means all days, other than second and fourth Saturday of the month, Sunday or a public holiday, 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 Day” shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

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. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Accordingly, the process for foreign direct investment (“**FDI**”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017 has notified the specific ministries handling relevant sectors.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. The DIPP issued the Consolidated Foreign Direct Investment Policy notified by the D/o IPP F. No. 5(1)/2017-FC-1 dated the August 28, 2017 effective from August 28, 2017, as amended by the DIPP Press Note No. 1 of 2018 (effective from January 23, 2018) (the “**FDI Policy**”), consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect prior to August 28, 2017. The Government of India proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

The Equity Shares have not been, and will not be registered under the Securities Act or any state securities laws in the United States, and unless so registered, 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 in accordance with any applicable U.S. state securities laws. The Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdictions where such Issues and sales are made.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

The Articles of Association of the Company comprise of two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other. In case of inconsistency or contradiction, conflict or overlap between Part A and Part B, the provisions of Part B shall supersede. However, Part B shall automatically terminated, deleted and cease to have any force and effect from the date of listing of equity shares of the Company on any recognized stock exchange in India pursuant to an initial public offering of the equity shares of the Company, without any further corporate action by the Company or by the shareholders.

Note: By a Special Resolution passed at the Extraordinary General Meeting of the Shareholders of P. N. Gadgil & Sons Limited (the “**Company**”) held on 30th March, 2018, these Articles were adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles of the Company.

THE COMPANIES ACT, 2013

COMPANY LIMITED BY SHARES

(Incorporated under the Companies Act, 2013)

ARTICLES OF ASSOCIATION

OF

P. N. GADGIL & SONS LIMITED

- 1) No regulations contained in Table “F” to the Companies Act, 2013 (“Table F”) as are applicable to a public company limited by shares, shall apply to the company so far as they are not inconsistent with any of the provisions contained in these articles or modifications thereof and only to the extent that there is no specific provision in these articles. In case of any conflict between the provisions of these articles and table F, the provisions of these articles shall prevail.

INTERPRETATION

In the interpretation of these Articles the following expressions shall have the following meanings, unless repugnant to the subject or context:

THE ACT

“The Act” means the Companies Act, 2013 and the rules and regulations prescribed thereunder, as now enacted or as amended from time to time and shall include any statutory modification or re-enactment thereof for the time being in force.

ARTICLES

The “Articles” or “Articles of Association” means these articles of association of the Company or as altered from time to time.

BENEFICIAL OWNER

Beneficial owner shall mean the beneficial owner as defined in Clause (a) of Sub- Section (1) of Section 2 of the Depositories Act, 1996,

BOARD OR BOARD OF DIRECTORS

“Board” or “Board of Directors” means the board of directors of the Company, as constituted from time to time.

CHAIRMAN

“The Chairman” means the Chairman of the Board of Directors / Committee for the time being of the Company.

THE COMPANY OR THIS COMPANY

“The Company” or “This Company” means **P. N. GADGIL & SONS LIMITED**, a public company limited by shares incorporated under the Companies Act, 2013.

RULES

Rules means the applicable rules for the time being in force as prescribed under relevant sections of the Act.

EXECUTOR OR ADMINISTRATOR

“Executor” or “Administrator-means a person who has obtained probate or letter of administration, as the case may be, from a competent Court.

MONTH

“Month” means a calendar month.

OFFICE

“Office” means the registered office for the time being of the Company.

PERSONS

“Persons” include individuals, any company or association or body of individuals whether incorporated or not.

SEAL

“Seal” means the Common seal for the time being of the Company.

YEAR

“Year” means the calendar year, and “Financial Year” shall have the meaning assigned thereto by Section 2(41) of the Act.

GENDER

Words importing the masculine gender also include the feminine gender.

SINGULAR NUMBER

Words importing the singular number include, where the context admits or requires the plural number and vice versa.

EXPRESSION IN THE ACT TO BEAR THE SAME MEANING IN ARTICLES

Unless the context otherwise requires, words and expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modifications thereof for the time being in force at the date on which these Articles become binding on the Company. In these Articles, all capitalized items not defined herein below shall have the meanings assigned to them in the other parts of these Articles when defined for use.

Notwithstanding anything contained in these Articles, any reference to a “person” in these Articles shall, unless the context otherwise requires, be construed to include a reference to a body corporate or an association, any individual, company, partnership, joint venture, firm, trust or body of individuals (whether incorporated or not).

2) PUBLIC COMPANY

The company is a public company as defined in Section 2(71) of the Act.

CAPITAL, SHARES AND CERTIFICATES

3) CAPITAL

- (a) The Authorised Share Capital of the Company is as stated in the **Clause 5** of the Memorandum of Association with the rights, privileges and conditions attached thereto as provided in law for the time being in force with powers to the Company to issue share capital as provided under Section 43 of the Act and divide share capital for the time being of the Company into several classes / kinds (being those specified in the Act) and to attach thereto respectively such preferential, qualified, differential or special rights, privileges or conditions as may be determined by or in accordance with the law or the Articles of Association of the Company for the time being in force and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the law for the time being in force or provided by the Articles of Association of the Company.
- (b) Subject to the provision of the Act and Rules and these articles the Board may issue and allot shares in the Capital of the Company in consideration of payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business or as sweat equity and any shares which may be so allotted may be issued as fully paid up or partly paid up otherwise than cash and if so issued shall be deemed to be fully paid or partly paid up shares as the case may be.

4) INCREASE OF CAPITAL BY THE COMPANY

The Company in general meeting may, by ordinary resolution from time to time, increase the capital by creation of new shares and of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe, and in particular, such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at a general meeting of the Company in conformity with Sections 47 of the Act.

5) ISSUE OF SECURITIES

Subject to the provisions of the Act and the rules and other applicable laws the company shall have the right to issue any kind of shares/ securities / warrants having such rights as to conversion, redemption or otherwise and other terms and conditions and for consideration in cash or in consideration of any property or asset of any kind wherever sold or transferred goods or machinery supplied or for services rendered to the Company in the conduct of its business.

6) ISSUE OF REDEEMABLE PREFERENCE SHARES

Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more class which are liable to be redeemed or converted into equity shares on such terms and conditions and in such manner as may be determined by the Board in accordance with the Act and the Rules.

7) SHARES UNDER THE CONTROL OF THE DIRECTORS

Subject to the Section 62 of the Act and these Articles, the shares in the capital of the Company for the time being (including any shares forming part of any increased 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 either at a premium or at par or at a discount (subject to the compliance with the provision of Section 53 of the Act) and at such times as they may from time to time think fit and proper, and with full power of the sanction of the Company in General Meeting, to give to any Person the option or right to call for any shares either at par or at a premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up shares and is so issued, shall be deemed to be fully paid up shares.

Provided that the option or right to call of shares shall not be given to any persons except with the sanction of the Company in General Meeting.

8) PURCHASE / BUY BACK OF SHARES

- (a) Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other laws for the time being in force, the Company shall be entitled to purchase its own shares or other specified securities on such terms as deemed fit.
- (b) Subject to all applicable provisions of the Act or any other laws for the time being in force, the Company shall also be entitled to provide loan or any financial assistance to any person to purchase shares or securities of the Company.

9) REDUCTION OF CAPITAL

The Company may (subject to the provisions of Section 52, 55 and 66 and other applicable provisions, if any, of the Act) from time to time by special resolution, reduce (a) its share capital, (b) any capital redemption, reserve account, or (c) any share premium account in any manner and with and subject to any incidents, authorise the consent required by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. The Article is not to derogate from any power the Company would have if it were omitted.

10) CONSOLIDATION, DIVISION, SUB-DIVISION AND CANCELLATION OF SHARES

Subject to the provisions of Section 61 of the Act, the Company in general meeting may from time to time by an ordinary resolution alter the conditions of its Memorandum as follows:

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division, the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
- (c) Cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this sub-clause shall not be deemed to be a reduction of share capital within the meaning of the Act.

Whenever the Company shall do any one or more of the things provided for in the foregoing sub-clauses (a), (b) and (c) the Company shall, within thirty days thereafter, give notice thereof to the Registrar as required by Section 64 of the Act specifying, as the case may be, the share consolidated, divided, sub-divided or cancelled.

11) MODIFICATION OF RIGHTS

- (i) Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 of the Act, be varied, modified, commuted, affected or abrogated, or dealt with, with the consent in writing of the holders of not less than three-fourths of the issued

capital of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of that class, and all the provisions hereafter contained as to general meetings shall, mutatis mutandis, apply to every such meeting. This Article, is not to derogate from any power the Company would have if this Article was omitted.

- (ii) The rights conferred upon the holders of the shares (including preference shares, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking *pari passu* there with.

12) ISSUE OF FURTHER SHARES NOT TO AFFECT RIGHTS OF EXISTING MEMBERS

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

13) FURTHER ISSUE OF SHARE CAPITAL

- (a) Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—

- (i) to persons who, at the date of the offer, are holders of Equity Shares of the Company in proportion, as nearly as circumstances admit, to the Paid up Share Capital on those shares by sending a letter of offer subject to the following conditions, namely:-

- (a) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;
- (b) the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the shares offered to him or any of them in favour of any other Person; and the notice referred to in clause (i) above shall contain a statement of this right; and
- (c) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Members and the Company.

Nothing in sub - clause (c) above shall be deemed:

- (1) to extend the time within which the offer should be accepted; or
 - (2) to authorise any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
- (ii) to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under Law; or
 - (iii) to any persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in clause (i) or clause (ii) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to the Rules.
- (b) The notice referred to in sub-clause a. of clause (i) of sub-article (a) shall be dispatched through registered post or speed post or through electronic mode to all the existing Shareholders at least 3 (three) days before the opening of the issue.

- (c) Nothing in this Article shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into shares in the Company:

Provided that the terms of issue of such Debentures or loan containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution passed by the Company in a General Meeting.

- (d) The provisions contained in this Article shall be subject to Section 42 and Section 62 of the Act, the Rules and the applicable provisions of the Act.
- (e) Provided that notwithstanding anything hereinbefore contained the further shares aforesaid may be offered to any persons, whether or not those persons include the persons referred in this Article 8, in any manner whatsoever,
- (i) if a Special Resolution to that effect is passed by the Company in General Meetings, or
- (ii) where no such Special Resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that General Meeting (including the casting vote, if any, of the Chairman) by the Members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company.

- 14)** A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.

15) ISSUE OF SHARES TO EMPLOYEES

Subject to applicable rules and regulation, the Directors may allot and issue shares as Sweat Equity shares or under Employees Stock Option Scheme. The Board of Directors of the Company is authorised absolutely at their sole discretion to determine the terms and conditions of issue of such shares and modify the same from time to time.

16) LIABILITY OF MEMBERS

Every member, or his heirs, executors or administrators to the extent of his assets which come to their hands, shall be liable to pay to the Company the portion of the capital represented by his share or shares which may, for the time being, remain unpaid thereon in such amounts, at such time or times, and in such manner as the Board of Directors shall from time to time, in accordance with the Company's regulations, require or fix for the payment thereof.

17) SHARE CERTIFICATES

- (a) The Company shall cause to be kept a register of members in accordance with Section 88 of the Act.

Every person whose name is entered as a member in the register of members shall be entitled to receive, within three months after allotment (or within such other period as the conditions of issue shall provide), or within fifteen days after the application for the registration of transfer or transmission is received by the Company, without payment, certificate for all the Shares registered in his name, every share certificate specifying the name of the person in whose favour it is issued, the share certificate number and the distinctive number(s) of the shares to which it relates and the amount paid up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in case of issues against letters of acceptance or of renunciation or in cases of issue of bonus shares provided that if the letter of allotment is lost or destroyed, the Board may impose such reasonable terms, if any, as it thinks fit, as to evidence and indemnity and the payment of out of pocket expenses incurred by the Company in investigating the evidence.

- (b) Certificate of title to shares shall be issued under the seal of the Company, if any and shall be signed in conformity with the provisions of the Companies(Share Capital and Debentures) Rules, 2014 or any statutory modification or re-enactment thereof for the time being in force. Printing of blank forms to be used for issue of Share Certificates and maintenance of books and documents relating to issue of Share Certificates shall be in accordance with the provisions of aforesaid rules. Such Certificates of title to shares shall be completed and kept ready for delivery within two months after the allotment unless the conditions of issue of shares provide otherwise.
- (c) Any two or more joint allottees or holders of share shall, for the purpose of this Article, be treated as a single member and the certificate of any share, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them. 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 the certificate for a share to one of several joint shareholders shall be sufficient delivery to all such holder.

If the Company has not effected transfer of securities within 15 days or where the Company has failed to communicate to the transferee(s) any valid objection to the transfer, within the stipulated time period of 15 days, the Company shall compensate the aggrieved party for the opportunity losses caused during the period of the delay. Further, in relation to the aforementioned period of delay the Company shall provide all benefits, which have accrued, to the holder of securities in terms of provisions of Section 126 of the Act, and Section 27 of the Securities Contracts (Regulation) Act, 1956.

18) FRACTIONAL CERTIFICATES

- (a) If and whenever, as a result of issue of new shares on consolidation or sub-division of shares, any member becomes entitled to any fractional part of a share, the Directors may subject to the provisions of the Act and these Articles and to the directions, if any, of the Company in General Meeting:-
 - (i) Issue to such member fractional certificate or certificates representing such fractional part. Such fractional certificate or certificates shall not be registered, nor shall they bear any dividend until exchanged with other fractional certificates for an entire share. The Directors may, however, fix the time within which such fractional certificates are to be exchanged for an entire share and may extend such time and if at the expiry of such time, any fractional certificates shall be deemed to be canceled and the Directors shall sell the shares represented by such canceled fractional certificates for the best price reasonably obtainable or
 - (ii) to sell the shares represented by all such fractional parts for the best price reasonably obtainable.
- (b) In the event of any shares being sold, in pursuance of sub-clause (a) above, the Directors shall pay and distribute to and amongst the persons entitled, in due proportion the net sale proceeds thereof.
- (c) For the purpose of giving effect to any such sale, the Directors may authorise any person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and he shall not be bound to see to the application of purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the same.
- (d) The provisions of the foregoing Articles relating to issue of certificates shall mutatis mutandis apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.

19) RENEWAL OF SHARE CERTIFICATE

No certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn, or old, decrepit, worn out, or where the pages on the reverse for recording transfers have been duly utilised unless the certificate in lieu of which it is issued is surrendered to the Company.

Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, decrepit or worn out or where the pages on the reverse for recording transfers have been fully utilised.

Provided further that in case of any share Certificate being lost or destroyed or if there be no further space on the bank for endorsement of transfer, the Company may issue a duplicate certificate in place of the Certificate so lost or destroyed on such terms as to evidence out of pocket expenses in regard to investigation of such evidence and on execution of indemnity as the Board may determine.

The Company shall issue certificates or receipts or advices, as applicable, of subdivision, split, consolidation, renewal, exchanges, endorsements, issuance of duplicates thereof or issuance of new certificates or receipts or advices, as applicable, in cases of loss or old decrepit or worn out certificates or receipts or advices, as applicable within a period of thirty days from the date of such lodgement.

Provided that notwithstanding what is stated above, the Directors shall comply with such rules or regulation or requirements of any stock exchanges or the rules made under the Act or rules made under the Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.

The provisions of the foregoing Articles relating to issue of certificates shall mutatis mutandis apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.

20) COMPANY NOT BOUND TO RECOGNISE ANY INTEREST IN SHARE OTHER THAN REGISTERED HOLDER

Except as ordered by a Court of competent jurisdiction or as by law required the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles expressly provided) any right in respect of a share other than an absolute right thereto/ in accordance with these Articles, in the person whose name appears in the Register of Members as holder of shares or whose name appears as the Beneficial owner of the shares in the records of the Depository, but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.

21) COMPANY ENTITLED TO DEMATERIALISE ITS SHARES AND SECURITIES

Notwithstanding anything contained in the Articles of Association the Company shall be entitled to dematerialize its shares, debenture and other securities for subscription in a dematerialised form. The Company shall further be entitled to maintain a Register of Members with the details of Members holding shares both in material and dematerialised form in any media as permitted by law including any form of electronic media.”

22) GENERAL AUTHORITY

Where in the said Act, it has been provided that a Company shall have any right, privilege or authority or that a Company could carry out any transactions only if the Company is so authorized by its Articles, in every such case this Regulation hereby authorizes and empowers the Company or its Directors to have such right, privilege or authority and to carry out such transaction as have been permitted by the Act without there being any specific Regulation in that behalf herein provided. Following are a few illustrations of such rights, privileges, authorities and transactions as set out with relevant Section numbers from the Act:

Section 40: to pay commission on issue of Shares and Debentures

Section 43: to issue shares with differential voting rights

Section 48: to alter rights of holders of special class of shares

Section 50: to accept amount on share capital although not called up

Section 51: to pay dividend in proportion to amount paid-up

Section 55: to issue Redeemable Preference Shares.

Section 61: to alter the share capital of the Company

Section 42 / 62: to issue shares on preferential basis

Section 63: to issue Bonus Shares

Section 68: to buy back the shares of the Company

Section 88: to keep foreign register of Members of debenture holders

Section 161: to appoint additional, alternate and nominee Directors

The above authority does not include rights, privileges, authorities under Section 163 of the Act.

23) POWER TO PAY COMMISSION IN CONNECTION WITH SECURITIES ISSUED

1. The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.
2. The rate or amount of the commission shall not exceed the rate or amount prescribed in the Act and the Rules.
3. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

24) BROKERAGE

The Company may on any issue of shares, debentures or any other securities pay such brokerage or commission as may be prescribed under the Act.

CALLS

25) DIRECTORS MAY MAKE CALLS

Subject to the provisions of Section 49 of the Act, the Board of Directors may, from time to time, by a Resolution passed at a meeting of the Board (and not by a circular resolution) make such calls as it thinks fit upon the members in respect of all moneys unpaid on the shares, whether on account of the nominal value of the shares or by way of premium, held by them respectively and not by conditions of allotment thereof made payable at fixed times and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board of Directors. A call may be made payable by installments. A call may be postponed or revoked as the Board may determine.

26) NOTICE OF CALLS

At least Fourteen (14) days notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.

27) CALLS TO TAKE EFFECT FROM THE DATE OF RESOLUTION

A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board of Directors and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Board of Directors.

28) CALLS ON SHARES OF SAME CLASS TO BE ON UNIFORM BASIS

All calls shall be made on a uniform basis on all shares falling under the same class.

Explanation: Shares of different class having the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.

29) DIRECTORS MAY EXTEND TIME

The Board of Directors may, from time to time at its discretion, extend the time fixed for the payments of any call, and may extend such times as to all or any of the members who, on account of residence at a distance or other cause, the Board of Directors may deem fairly entitled to such extension, but no member shall be entitled to such extension as of right except as a matter of grace and favour.

30) AMOUNT PAYABLE AT FIXED TIME OR BY INSTALMENTS TO BE TREATED AS CALLS

If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by instalments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or instalment shall be payable by the person who for the time being and from time to time is or shall be the registered holder of the shares or legal representative of a deceased Registered Share Holder, as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.

31) DEPOSIT AND CALL, ETC. TO BE DEBT PAYABLE

The money (if any) which the Board of Directors shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall, immediately on the inscription of the name of the allottee in the register of members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

32) INTEREST ON CALL OR INSTALMENT

If the sum payable in respect of any call or instalment is not paid on or before the day appointed for the payment thereof, the holder for the time being or allottee of the share in respect of which the call shall have been made or the installment shall be due, shall pay interest on the same at the rate as may be determined by the Board from the due date appointed for the payment thereof till the time of actual payment. However, the Directors may waive payment of such interest wholly or in part.

33) PARTIAL PAYMENT NOT TO PRECLUDE FORFEITURE

Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time-to-time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.

34) PAYMENT IN ANTICIPATION OF CALLS MAY CARRY INTEREST

- (a) The Board of Directors may, if it thinks fit, subject to the provisions of the Act, agree to and receive from any member willing to advance the same, all or any part of the amount due upon the shares held by him beyond the sums actually called for and upon the moneys so paid in advance or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls

then made upon and due in respect of the shares on account of which such advances are made, the Company may pay or allow interest, at such rate not exceeding, unless the Company in general meeting shall otherwise direct, nine (9) per cent per annum as the member paying the sum in advance and the Board of Directors agree upon. The Board of Directors may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to such members three months notice in writing.

- (b) No member paying any-such sum in advance shall be entitled to voting rights or dividend or to participate in profits in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

- 35) The provisions of these Articles relating to calls on shares shall mutatis mutandis apply to any other securities including debentures of the Company.

LIEN

36) COMPANY TO HAVE LIEN ON SHARES/ DEBENTURES

The Company shall have a first and paramount lien upon all shares/debentures (other than fully paid up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not), called or payable at a fixed time in respect of such shares/debentures and no equitable interests in any such share/debentures shall be created except upon the footing and condition that this Article is to have full legal effect. Any such lien shall extend to all dividends and bonuses from time to time declared in respect of shares/ debentures.

Unless otherwise agreed, the registration of a Transfer of such shares/ debentures shall operate as a waiver of the Company's lien if any, on such shares/ debentures. PROVIDED THAT the Board of Directors may, at any time, declare any share/ debentures to be wholly or in part exempt from the provisions of this Article.

37) AS TO ENFORCING LIEN BY SALE

The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien for the purpose of enforcing the same. 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. For the purpose of such sale the Board may cause to be issue a duplicate certificate in respect of such shares and may authorise one of the members to execute a transfer thereof on behalf of and in the name of such members.

38) TRANSFER OF SHARES SOLD UNDER LIEN

- (1) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereto;
- (2) The Purchaser shall be registered as the holder of the shares comprised in any such transfer;
- (3) The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.
- (4) The Purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

39) APPLICATION OF PROCEEDS OF SALE

- (1) The net proceeds of any such sale shall be received by the Company and applied in or towards such part of the amount in respect of which the lien exists as is presently payable, and
- (2) The residue, if any, shall be paid to the person entitled to the shares at the date of the sale (subject to a like lien for sums not presently payable as existed on the share before the sale).

40) OUTSIDER'S LIEN NOT TO AFFECT COMPANY'S LIEN

In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

- 41) The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.

JOINT HOLDERS

42) THE FIRST NAMED OF JOINT HOLDERS DEEMED SOLE HOLDER

If any share stands in the names of two or more persons, first named in the Register shall, as regards receipts of dividends or bonus or service of notices and all or any other matter connected with the Company, except voting at meeting and the transfer of the shares, be deemed the sole holder thereof but the joint holder of a share shall, severally as well as jointly, be liable for the payment of all installments and calls due in respect of such share, and for all incidents thereof according to the Company's regulations.

- 43) Where two or more persons are registered as the holders of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefit of survivorship subject to the following and other provisions contained in these articles:-

NOT MORE THAN FOUR

- (a) The Company shall not be bound to register more than four persons as the holders of any share.
- (b) The joint holders of any share shall be liable severally as well as jointly for and in respect of all installments, calls and other payments which ought to be made in respect of such share.

TITLE OF SURVIVORS

- (c) On the death of any of such joint holder the survivor or survivors shall be the only person or persons recognised by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.

RECEIPT OF ONE SUFFICIENT

- (d) Any one of such joint holders may give effectual receipts of any dividends or other moneys payable in respect of such share.

DELIVERY OF CERTIFICATE AND GIVING OF NOTICE

- (e) Only the person whose name stands first in the Register of Members as one of the joint holders of any share unless otherwise directed by all of them in writing shall be entitled to delivery of certificate relating to such share or to receive any documents from the Company and any document served on or sent to such person shall be deemed service on all the joint holders.

- (f) The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names.

FORFEITURE OF SHARES

44) IF MONEY PAYABLE ON SHARES NOT PAID NOTICE TO BE GIVEN TO MEMBER

If any member fails to pay any call or any installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board of Directors may, at any time thereafter, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

45) ALLOTMENT MONEY SHALL BE DEEMED TO BE A CALL

For the purpose of provisions of these presents relating to forfeiture of shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such share on the day of allotment.

46) EFFECT OF NONPAYMENT OF SUMS

In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

47) FORM OF NOTICE

The notice shall name a day (not being less than fourteen(14) days from the date of the notice) and a place or places on and at which such call or installment and such interest thereon at such rate and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place appointed the shares in respect of which the call was made or installment is payable will be liable to be forfeited.

48) IN DEFAULT OF PAYMENT SHARES TO BE FORFEITED

If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given may at any time thereafter before payment of all calls or installments interest and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect by the forfeited shares and not actually paid before the forfeiture. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided.

49) NOTICE OF FORFEITURE TO A MEMBER

When any share shall have so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forth with be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

50) FORFEITED SHARE TO BE THE PROPERTY OF THE COMPANY AND MAY BE SOLD ETC.

Any share so forfeited, shall be deemed to be the property of the Company and may be sold, reallocated or otherwise disposed of, either to the original holder or to any other person, upon such terms and in such manner as the Board of Directors shall think fit.

51) CANCELLATION OF FORFEITURE

At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

52) MEMBER STILL LIABLE TO PAY MONEY OWING AT THE TIME OF FORFEITURE AND INTEREST

Any member whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay, and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of forfeiture until payment, at such rate not exceeding twelve (12) per cent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such moneys or any part thereof, if they think fit, but shall not be under any obligation so to do.

53) EFFECT OF FORFEITURE

The forfeiture of a share shall involve extinction at the time of the forfeiture of all interest in, and all claims and demands against the Company in respect of the share, and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.

54) VALIDITY OF FORFEITURE

1. A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or Secretary of the Company, and that a share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration shall be conclusive evidence of the facts stated as against all persons claiming to be entitled to the share.
2. The Company may receive the consideration if any, given for the share on any sale, re-allotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
3. The person to whom such share, is sold, re-allotted or disposed of shall thereupon be registered as the holder of the share;
4. Any such purchaser or allottee shall not (unless by express agreement) be liable to pay any calls, amounts, installments, interest and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interest and bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment.
5. Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale re-allotment or other disposal of the share.

55) CANCELLATION OF SHARE CERTIFICATES IN RESPECT OF FORFEITED SHARES

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the Certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new certificate in respect of the said shares to the persons entitled thereto.

56) VALIDITY OF SALES

Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares, the validity of the sale shall not be impeached by any person.

57) SURRENDER OF SHARES

The Directors may, subject to the provisions of the Act, accept a surrender of any share from or for any member desirous of surrendering on such terms as they think fit.

- 58)** The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

TRANSFER AND TRANSMISSION OF SHARES

59) INSTRUMENT OF TRANSFER TO BE EXECUTED BY TRANSFEROR AND TRANSFeree

1. For shares in physical form, the instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee.
2. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
3. The instrument of transfer shall be in writing and all the provisions of Section 56 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and the registration thereof.

60) BOARD MAY REFUSE TO REGISTER TRANSFER

- (a) Subject to the provisions of Sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may, refuse to register the transfer of, or the transmission by operation of law of the right to, any securities or interest of a shareholder in the Company. Further, subject to the provisions of Section 56 of the Act and section 22A and other relevant provisions of the Securities Contracts (Regulation) Act, 1956, as amended, the Board may, at its absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal shall not be affected by the circumstances that the proposed transferee is already a shareholder of the Company. The Board shall, within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, 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 on any account whatsoever except where the Company has a lien on shares. Transfer of shares / debentures in whatever lot shall not be refused.

61) BOARD MAY DECLINE TO RECOGNIZE INSTRUMENT OF TRANSFER

In case of shares held in physical form, without prejudice to the other requirements of the Act and the Rules, the Board may decline to recognize any instrument of transfer unless –

- (a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) the instrument of transfer is in respect of only one class of shares.

62) TRANSFER OF SHARES WHEN SUSPENDED

On giving of previous notice of at least seven (7) days or such lesser period in accordance with the Act and Rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time-to-time determine:

Provided that such registration shall not be suspended for more than thirty (30) days at any one time or for more than forty- five (45) days in the aggregate in any year.

63) TRANSFER OF PARTLY PAID SHARES

Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered, unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the date of receipt of the notice.

64) TRANSFER TO MINORS, ETC.

- (a) No share shall in any circumstances be transferred to an insolvent or a person of unsound mind.
- (b) A minor may be admitted and registered as a member of the Company in respect of any fully paid up share or shares in his or her name. The father or the mother of a minor or a guardian appointed by a competent court shall have a right to represent and act for the minor in all respects including voting and/or giving proxy in respect of any share or shares held by such minor.

65) THE COMPANY NOT LIABLE FOR DISREGARD OF A NOTICE PROHIBITING REGISTRATION OF A TRANSFER

The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof as shown or appearing in the register of Members to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some books of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board of Directors shall so think fit.

66) TITLE TO SHARES OF DECEASED MEMBER

The executors or administrators of a deceased member or the holder of a succession certificate or the legal representatives in respect of the shares of a deceased member (not being one of two or more joint holders) shall be the only persons recognised by the Company as having any title to the shares registered in the names of such members, and the Company shall not be bound to recognise such executors or administrators or holders of a succession certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration, or Succession certificate, as the case may be, from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board may upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register under Article 66 the name of any person, who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.

67) TITLE TO SHARES ON DEATH OF A MEMBER

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 recognized by the Company as having any title to his interest in the shares.

68) ESTATE OF DECEASED MEMBER LIABLE

Nothing in clause 68 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.

69) TRANSMISSION CLAUSE

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.

70) BOARD'S RIGHT UNAFFECTED

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.

71) INDEMNITY TO THE COMPANY

The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.

72) BOARD'S RIGHT UNAFFECTED

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.

73) NO FEE ON TRANSFER OR TRANSMISSION

No fee shall be charged for registration of transfer, grant of probate, Succession Certificate and Letters of Administration, Certificates of Death or Marriage, Power of Attorney or similar other documents.

74) Notwithstanding anything contained in the Articles of Association, in the case of transfer of shares or other marketable securities, where the Company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form, the provisions of the Depositories Act, 1996, shall apply.”

75) The provisions of these Articles relating to transfer & transmission of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

MEETINGS OF MEMBERS

76) ANNUAL GENERAL MEETING

The Company shall in each calendar year hold in addition to any other meetings. Not more than 15 (fifteen) months shall elapse between the date of one annual general meeting of the Company and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the registrar under the provisions of Section 96 of the Act to extend the time within which any annual general meeting may be held. Every annual general meeting shall be called during business hours on a day that is not a national holiday, and shall be held either at the registered office or at some other place within the city in which the registered office of the Company is situate, as the Board may determine.

77) EXTRAORDINARY GENERAL MEETING

All general meetings other than annual general meeting shall be called extra-ordinary general meeting.

The Directors may, whenever they think fit, convene an extra-ordinary general meeting.
The Board shall on the requisition of such number of member or members of the Company as is specified

in Section 100 of the Act, forthwith proceed to call an extra-ordinary general meeting of the Company and in respect of any such requisition and of any meeting to be called pursuant thereto, all other provisions of Section 100 of the Act shall for the time being apply.

A general meeting of the Company may be convened by giving not less than clear 21 (twenty-one) days' notice either in writing or through electronic mode in such manner as prescribed under the Act, provided that a general meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by not less than 95% (ninety-five percent) of the members entitled to vote at such meeting. Notice of every general meeting shall be given to the members and to such other person or persons as required by and in accordance with Section 101 and 102 of the Act and it shall be served in the manner authorized by Section 20 of the Act

78) QUORUM

- 1) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- 2) No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.
- 3) The quorum for a general meeting shall be as provided in the Act.

79) CHAIRMAN OF GENERAL MEETING

The chairman (If any) of the Company shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there be no such chairman of the Board, or if at any Meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he shall be unable or unwilling to take the Chair then the Members present shall elect another Director as chairman, and if no Director be present or if all the Directors present decline to take the Chair, then the Members present shall elect one of their member to be the chairman.

80) BUSINESS CONFINED TO ELECTION OF CHAIRMAN WHILST CHAIR VACANT

No business shall be discussed at any general meeting except the election of a Chairman whilst the chair is vacant.

81) CHAIRMAN MAY ADJOURN MEETING

- (1) The Chairman, suo moto, adjourn the meeting from time to time and from place to place.
- (2) In the event a quorum as required herein is not present within 30 (thirty) minutes of the appointed time, then subject to the provisions of Section 103 of the Act, the general meeting shall stand adjourned to the same place and time 7 (seven) days later, provided that the agenda for such adjourned general meeting shall remain the same. The said general meeting if called by requisitionists under Article 82 herein read with Section 100 of the Act shall stand cancelled.
- (3) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (4) When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (5) The required quorum at any adjourned general meeting shall be the same as that required at the original general meeting.
- (6) Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned meeting.

82) CHAIRMAN'S DECLARATION OF RESULT OF VOTING ON SHOW OF HANDS

A declaration by the Chairman that on a show of hands, a resolution has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of votes in favour or against such resolution.

83) CHAIRMAN'S CASTING VOTE

In the case of an equality of votes the chairman shall both on a show of hands and a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a member.

84) VOTING THROUGH ELECTRONIC MEANS

A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

85) MEMBERS PAYING MONEY IN ADVANCE NOT TO BE ENTITLED TO VOTE IN RESPECT THEREOF

A member paying the whole or a part of the amount remaining unpaid on any share held by them although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

86) NUMBER OF VOTES TO WHICH MEMBER ENTITLED

i) Subject to the provisions of the Act these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every Member, shall be entitled to vote in the manner prescribed under the Act and Articles.

ii) Subject to the provisions of this Act and this Articles any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

iii) Any member shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.

87) VOTING IN PERSON OR BY PROXY

Subject to the provisions of these Articles a member entitled to attend and vote at a general meeting is entitled to appoint a proxy to vote and attend meeting on his behalf and the proxy so appointed shall have no right to speak at the meeting.

88) MEMBERS IN ARREARS NOT TO VOTE

No members shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and has exercised any right of lien.

89) MINUTES OF PROCEEDINGS OF MEETINGS AND RESOLUTIONS PASSED BY POSTAL BALLOT

The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed under the Act and the Rules

90) INSPECTION OF MINUTE BOOKS OF GENERAL MEETING

The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:

- (a) be kept at the registered office of the Company; and
- (b) be open to inspection of any member without charge, during 2 p.m. (IST) to 4.30 p.m. (IST) on all working days.

91) MEMBERS MAY OBTAIN COPY OF MINUTES

Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause No. 88 above:

Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.

92) POWERS TO ARRANGE SECURITY AT MEETINGS

The Board, and also any person(s) authorized by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.

DIRECTORS

93) NUMBER OF DIRECTORS

- (a) Until otherwise determined by a general meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (excluding Debenture Directors, Government Directors, Ex-officio Directors, if any) shall be not less than 3 and not more than 15.
- (b) The first Directors of the Company shall be:
 - 1] Mr. Govind Vishwanath Gadgil
 - 2] Mrs. Renu Govind Gadgil
 - 3] Mr. Amit Yeshwant Modak
- (c) Mr. Govind Vishwanath Gadgil shall not be liable to retire by rotation. He shall hold the office until he resigns on his own accord.

94) DIRECTORS NOT LIABLE TO RETIRE BY ROTATION

The shareholders/ members shall have the power to determine the Directors whose period of office is or is not liable to determination by retirement of Directors by rotation subject to compliance of the Act and the Rules made thereunder.

Subject to provisions of the relevant laws and these Articles, not less than 2/3rd of the total number of Directors for the time being shall be those whose period of office is liable for determination of retirement by rotation. For the purposes of this article, the total number of Directors shall not include independent directors, whether appointed under the Act or any other law for the time being in force, on the Board of our Company.

95) SAME INDIVIDUAL MAY BE CHAIRPERSON AND MANAGING DIRECTOR/ CHIEF EXECUTIVE OFFICER

The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.

96) (a) APPOINTMENT OF ALTERNATE DIRECTOR

The Board may appoint an Alternate Director to act for a Director (hereinafter called “the original Director”) during his absence for a period of not less than three months from the India which meetings of the Board are ordinarily held. Every such Alternate Director shall, subject to his giving to the Company an address in India at which notice may be served on him, be entitled to notice of meeting of Directors and to attend and vote as a Director and be counted for the purposes of a quorum and generally at such meetings to have and exercise all powers and duties and authorities of the original Director. The Alternate Director appointed under this Article shall vacate office as and when original Director returns to the India in which meetings of the Board are ordinarily held. If the terms of office of the original Director is determined before he returns to the India in which meetings of the Board are ordinarily held, any provision in the Act or in this Article for the automatic re-appointment of retiring Director in default of another appointment shall apply to the original Director and not to the Alternate Director.

(b) APPOINTMENT OF SPECIAL DIRECTOR

- (i) The Company shall, subject to the provisions of the Act, be entitled to agree with the Central or State Government, or any person, firm, corporation or authority that he or it shall have the right to appoint his or its nominees on the Board of Directors of the Company upon such terms and conditions as the Directors may deem fit. Such nominees and their successors in office appointed under this Article shall be called Special Directors. Special Directors shall be entitled to hold office until requested to retire by authority, person, firm or Corporation who may have appointed them and will not be bound to retire by rotation. As and whenever a Special Director vacates office, whether upon request as aforesaid or by death, resignation or otherwise, the authority, person, firm or Corporation who appointed such Special Director may, if the agreement so provides, appoint another Director in his place.
- (ii) The Special Directors, appointed under sub-clause (i) above, shall be entitled to hold office until requested to retire by the person, firm or Corporation who may have appointed them and will not be bound to retire by rotation. As and whenever a Special Director vacates office whether upon request as aforesaid or by death, resignation or otherwise, the person, firm or Corporation who have appointed such special Director may appoint any other Director in his place. The special Director may at any time by notice in writing to the Company resign his office. Subject as aforesaid a Special Director shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

(c) APPOINTMENT OF DEBENTURE DIRECTORS

Any Trust Deed for securing debentures or debenture stocks may, if so agreed, provide for the appointment, from time to time, by the Trustees thereof, or by the holders of debentures or debenture stocks, of some person to be a Director of the Company and may empower such Trustees or holder of debentures or debentures stocks, from time to time, to remove and re-appoint any Director so appointed. The Director so appointed under this Article herein referred to as “Debenture Director” and the term “Debenture Director” means the Director for the time being in office under this Article. The Debenture Director shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provision as may be agreed between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

(d) APPOINTMENT OF NOMINEE DIRECTORS

- (i) Notwithstanding anything to the contrary contained in these Articles, so long as any money remain owing by the Company to financial institutions, financing company or body or credit corporation, out of any loans granted by them to the Company or so long as the financial institution, financing company or body corporate or Credit Corporation (each of the financial institutions, financing

company or body or credit corporation is hereinafter in this Article referred to as “The Corporation”) continue to hold debentures in the Company by direct subscription or private placement, or so long as the Corporation holds shares in the Company as result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors, wholetime or non-wholetime, (which Directors or Directors is/are hereinafter referred to as “Nominee Director/s”) on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s in terms of the agreement executed with such Corporation/ provisions of the respective statute/ or otherwise agreed to by the Board.

- (ii) The Board of Directors of the Company shall have no power to remove from office the nominee Director/s. At the option of the Corporation, such Nominee Director/s shall not be required to hold any share qualification in the Company. Also, at the option of the Corporation, such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.
- (iii) The Nominee Director/s so appointed shall hold the said office only so long as any money remain owing by the Company to the Corporation or so long as the Corporation holds Debentures in the Company as result of direct subscription or private placement or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or the liability of the Company arising out of the Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the money owing by the Company to the Corporation are paid off or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of the Guarantee furnished by the Corporation.
- (iv) The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend to General Meetings, Board Meetings and of the Meetings of the Committee of which the Nominee Director/s is/are member/s as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.
- (v) The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission, money or remuneration in any form is payable to the Directors of the Company, the fees, commission, money and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation.
- (vi) Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or, as the case may be, to such Nominee Director/s. Provided that if any such Nominee Director/s is an Officer of the Corporation, the sitting fees in relation to such Nominee Director/s shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation or as per rules and regulations/or agreement entered into with such corporation
- (vii) In the event of the Nominee Director/s being appointed as Whole-time Director/s, such Nominee Director/s shall exercise such powers and have such rights as are usually exercised or available to a whole-time Director in the management of the affairs of the Company. Such Wholetime Director/s shall be entitled to receive such remuneration, fees, commission and money as may be approved by the Corporation.

97) DIRECTORS MAY FILL VACANCIES

The Directors shall have power at any time and from time to time to appoint any person to be a Director to fill a casual vacancy. Such casual vacancy shall be filled by the Board or Directors at a meeting of the Board. Any person so appointed shall retain his office only up to the date up to which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid but he shall then be eligible for re-election.

98) APPOINTMENT OF ADDITIONAL DIRECTORS

The Directors shall also have power at any time and from time to time to appoint any other person to be a Director as an addition to the Board under Section 161 of the Act but so that the total number of Directors shall not at any time exceed the maximum fixed. Any person so appointed as an addition to the Board shall retain his office only up to the date of the next annual general meeting but shall be eligible for election at such meeting.

99) APPOINTMENT OF OTHER DIRECTORS

The Board shall appoint Woman Director, Independent Director in the manner required under the provisions of Act.

100) APPOINTMENT OF MANAGING DIRECTOR OR MANAGING DIRECTOR(S) OR WHOLE TIME DIRECTOR OR WHOLE TIME DIRECTOR(S)

Subject to the provisions of Section 196 / 203 and other applicable provisions of the Act and these Articles, the Directors shall have power to appoint or reappoint from time to time Managing Director or Managing Directors or whole time Director or whole time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

101) REMUNERATION OF DIRECTORS

- 1) The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
- 2) The remuneration payable to the Directors, including any managing or whole-time director or manager, if any, shall be determined, in accordance with and subject to the provisions of the Act, by an ordinary resolution passed by the Company in general meeting.
- 3) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel, sitting fees 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
 - (c) Subject to the provisions of the Act, every Director shall be paid out of the funds of the Company such sum as the Board may from time to time determine for attending every meeting of the Board or any committee of the Board, subject to the ceiling prescribed under the Act.
- 4) 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.

PROCEEDING OF THE BOARD OF DIRECTORS

102) MEETINGS OF DIRECTORS

- (a) A meeting of the Board of Directors shall be held at least four (4) times every year and not more than 120 days shall lapse between two (2) Board meetings.
- (b) No business shall be conducted at any meeting of the Directors unless a quorum is present. The quorum for the meeting of the Board shall be one third of its total strength or 2 (two) Directors, whichever is higher, and the participation of the Directors by video conferencing or by other audio-visual means or any other means (to the extent permitted under the Act and the rules framed

thereunder or otherwise provided by the Ministry of Corporate Affairs), in each case from time to time, shall also be counted for the purposes of quorum under this Article, provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of the total strength of the Board, the number of remaining Directors, that is to say the number of Directors who are not interested and present at the meeting being not less than 2 (two), shall be the quorum during such time.

- (c) If quorum is found to be not present within 30 (thirty) minutes from the time when the meeting should have begun or if during the meeting, valid quorum no longer exists, the meeting shall be reconvened at the same time and at the same place 7 (seven) days later. At the reconvened meeting, the Directors present and not being less than 2 (two) persons shall constitute the quorum and may transact the business for which the meeting was called and any resolution duly passed at such meeting shall be valid and binding on the Company.

103) WHEN MEETING TO BE CONVENED

- i) The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.
- ii) The participation of Directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

104) QUORUM

The quorum for the Board meeting shall be as provided in the Act

105) CHAIRMAN

The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. 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 numbers to be Chairperson of the meeting.

106) QUESTIONS AT BOARD MEETING HOW DECIDED

Subject to provisions of the Act, questions arising at any meeting of the board shall be decided by a majority of votes, and in case of equality of votes, the chairman shall have second or casting vote.

107) CIRCULAR RESOLUTION

Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held provided that a draft of such resolution together with the information required to make a fully-informed good faith decision with respect to such resolution and appropriate documents required to evidence passage of such resolution, if any necessary papers, if any, was sent to all of the Directors or members of the committee (as the case may be) at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be prescribed under the Act, and has been approved by a majority of the Directors or members who are entitled to vote on the resolution.

108) ACTS OF BOARD OR COMMITTEE VALID NOTWITHSTANDING DEFECT IN APPOINTMENT

All acts, done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of one or more of such Directors or any person acting as aforesaid, or that they or any of them

were disqualified or had vacated office or that the appointment of any of them is deemed to be terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director. Provided nothing in this Article shall be deemed to give validity to acts done by a director after his appointment has been shown to the Company to be invalid or to have been terminated.

Every Director shall at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then the first meeting held after such change, disclose his concern or interest in any company, companies or bodies corporate, firms or other associations of individuals which shall include the shareholding in such manner as may be prescribed under the Act and the rules framed thereunder.

109) GENERAL POWERS OF THE COMPANY VESTED IN BOARD

The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made. The Board shall also undertake the corporate social responsibility activities under the provisions of the Act.

110) BORROWING POWERS

Subject to the provisions of the Act and these Articles, the Board of Directors may, from time to time at its discretion by a resolution passed at a meeting of the Board, borrow money from time to time including but not limited to fund based and non-fund based credit facilities from Bankers and other eligible lenders, loans, fixed deposits etc. for the purpose of the business of the Company to be secured in such manner and upon such terms and conditions as the Board of Directors may think fit.

111) ISSUE OF DEBENTURES

The Board has power to issue debentures of various kinds from time to time.

The Directors may, from time to time, at their discretion raise for the purpose of the Company's business such of money as they think fit. The Directors may raise any such sums as aforesaid by the issue, at such price as they may think fit, of debentures of debentures-stock, either charged upon the whole or any part of the property and assets of the Company or not so charged or in such other way as the Directors may think expedient.

112) DELEGATE POWERS

Subject to Section 179 of the Act, from time to time, and at any time, the Directors may delegate to any persons so appointed any of the powers, authorities, and discretions for the time being vested in the board, other than their power to make calls or to make loans or borrow moneys; and to authorise the member for the time being of any such Local Board, or any of them, to fill up any vacancies therein and to act notwithstanding vacancies, and such appointment or delegation may be made on such terms subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary any such delegation.

113) DIRECTORS MAY APPOINT COMMITTEES

- i) The Board of Directors may subject to the provisions of Section 179 and other relevant provisions of the Act and of these Articles appoint committee of the Board, and delegate any of the powers other than the powers to make calls and to issue debentures to such committee or committees and may from time to time revoke and discharge any such committees of the Board either wholly or in part and either as to the persons or purposes, but every committee of the Board so formed shall in exercise of the powers so delegated conform to any regulation that may from time to time be

imposed on it by the Board of Directors. All acts done by any such committee of the Board in conformity with such regulations and in fulfillment of the purpose of their appointment, but not otherwise, shall have the like force and effect, as if done by the Board.

- ii) The participation of Directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

114) CHAIRMAN OF COMMITTEE OF DIRECTORS

- i) Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.
- 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 members present may choose one of their members to be Chairperson of the meeting.

115) FUNCTIONING OF THE COMMITTEE

- 1) A Committee may meet and adjourn as it thinks fit.
- 2) Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present.
- 3) In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.

116) CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

Subject to the provisions of the Act;

- i) A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.
- ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

The Board shall have the power to appoint an individual as the chairperson of the Company as well as the managing director or chief executive officer of the Company at the same time.

A whole time director / chief financial officer / company secretary of the Company are severally authorised to sign any document or proceeding requiring authentication by the Company or any contract made by or on behalf of the Company.

Any 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.

117) REGISTERS

i) Statutory Register

The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and

acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company only by the persons entitled thereto under the Act, on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules. Subject to aforesaid the Board shall have a power to refuse inspection to any other person, at its discretion.

ii) Foreign Register

The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such Articles as it may think fit respecting the keeping of any such register. The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members.

118) THE SEAL

- i) The Board may provide for the safe custody of the seal.
- ii) The Seal, if any, of the Company shall be affixed to share certificate of the Company under the authority of a resolution of the Board or of a Committee of the Board authorized by it in that behalf, and in the presence of at least two directors duly authorised by the Board for this purpose and the secretary or such other person as the Board may appoint for the purpose; and such directors and the secretary or other person aforesaid shall sign every such certificate to which the seal of the Company is so affixed in their presence.
- iii) On any other instrument affixing the Seal is optional unless otherwise specifically determined by the Board.

119) DIVIDENDS AND RESERVE

- (i) Company in general meeting may declare dividends.

The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.

- (ii) Interim dividends

Subject to the provisions of the Act, the Board may from time-to-time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.

- (iii) Dividends only to be paid out of profits

The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for 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.

- (iv) Carry forward of profits

The Board may subject to provisions of the Act also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

(v) Payments in Advance

No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.

(vi) Dividends to be Apportioned

All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portioner 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.

(vii) No member to receive dividend whilst indebted to the Company and Company's right to reimbursement therefrom

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.

(viii) Retention of dividends

The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.

(ix) Dividend how Remitted

A dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

(x) Discharge to Company

Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received good discharge for it if a payment using any of the foregoing permissible means is made.

(xi) Receipt of one holder sufficient

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.

(xii) No interest on Dividends

No dividend shall bear interest against the Company.

(xiii) Waiver of Dividends

The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

120) Winding up

The Company may be wound up in accordance with the Act and the Insolvency and Bankruptcy Code, 2016 (to the extent applicable).

121) Accounts

Subject to the provisions of the Act, the Company shall keep at its registered office, proper books of accounts and other relevant books and papers and financial statement for every financial year which give a true and fair view of the state of the affairs of the Company, including that of its branch office or offices, if any, and explain the transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting, provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board may decide and when the Board so decides the Company shall, within 7 (seven) days of the decision file with the registrar a notice in writing giving the full address of that other place, provided further that the Company may keep such books of accounts or other relevant papers in electronic mode in such manner as provided in Section 128 of the Act and the rules framed thereunder.

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. Each Director shall be entitled to examine the books, accounts and records of the Company, and shall have free access, at all reasonable times and with prior written notice, to any and all properties and facilities of the Company. The Company shall provide such information relating to the Business, affairs and financial position of the Company as any Director may reasonably require.

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.

All the aforesaid books shall give a true and fair view of the Company's affairs with respect to the matters aforesaid and explain its transactions.

The books of accounts of the Company relating to a period of not less than 8 (eight) years immediately preceding the current year together with the vouchers relevant to any entry in such books of account shall be preserved in good order.

122) Unpaid or unclaimed dividend

Where the Company has declared a dividend which has not been paid or the dividend warrant in respect thereof has not been posted or sent within thirty days from the date of declaration to any shareholder entitled to payment of the dividend, the Company shall transfer the total amount of dividend, which remained unpaid or unclaimed within seven days from the date of expiry of the said period of thirty days to a special account to be opened by the Company in that behalf in any scheduled bank to be called the "unpaid dividend account". No unclaimed dividend shall be forfeited by the Board before the claim becomes barred by law and such forfeiture, if effected, shall be annulled in appropriate cases.

Any money so transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the fund established under sub-section (1) of Section 125 of the Act, viz. "investors education and protection fund".

123) INDEMNITY AND INSURANCE

1) Directors and officers right to indemnity

- (a) Subject to the provisions of the Act, every Director, Managing Director, Whole-Time Director, Manager, Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director,

manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses except such suits, proceedings, cost, charges, losses, damage and expenses, if any, that such officer shall incur or sustain, by or through his own willful neglect or default.

- (b) Subject as aforesaid, every Director, Managing Director, Manager, Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favorer in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which reliefs given to him by the Court.

2) Insurance

The Company may take and maintain any insurance as the Board may think fit on behalf of its present and / or former Directors and key management personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

124) CAPITALISATION

- 1) The Company in General Meeting by Ordinary Resolution 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 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 no. 2 amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause no. 3 either in or towards :-
 - (a) paying up any amount for the time being unpaid on any shares held by such members respectively;
 - (b) paying up in full un-issued shares of the Company to the allocated and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or
 - (c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b).
- (3) A share premium account and a Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued share to be issued to members of the Company as fully paid Bonus Shares.
- (4) the Board shall give effect to the resolution passed by the Company in pursuance of this regulation.
- (5) Any agreement made under such authority shall be effective and binding on such members.

125) SECRECY CLAUSE

Every Director, Manager, Auditor, Secretary, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall, if so required, by the Director, before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in the matter thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when

required to do so by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions, in these presents contained.

126) NO MEMBER TO ENTER THE PREMISES OF THE COMPANY WITHOUT PERMISSION

No member or other person (not being a Director) shall be entitled to visit or inspect any property or premises of the Company without the permission of the Directors or Managing Directors or to require discovery of or any information respecting any detail of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process, or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Director, it would be inexpedient in the interest of the Company to disclose.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of the Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be 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 and Corporate Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Any of the contracts or documents mentioned in this Draft Red Herring 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 applicable law.

A. Material Contracts for the Issue

1. Issue Agreement dated May 3, 2018 entered into between our Company and the BRLMs.
2. Registrar Agreement dated May 4, 2018 entered into between our Company and the Registrar to the Issue.
3. Escrow Agreement dated [●] entered into among our Company, the BRLMs, Anchor Escrow Collection Bank and Refund Bank, and the Registrar to the Issue.
4. Syndicate Agreement dated [●] entered into between our Company, the BRLMs and the Syndicate Members and the Registrar to the Issue.
5. Underwriting Agreement dated [●] entered into between our Company and the Underwriters.
6. Monitoring Agency Agreement dated [●] entered into among our Company and [●].

B. Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company as amended from time to time.
2. Certificate of incorporation dated November 6, 2017.
3. Resolution of the Board of Directors dated March 4, 2018 in relation to the Issue and other related matters.
4. Resolution of the Shareholders of our Company dated March 7, 2018 in relation to the Issue and other related matters.
5. Resolution of the Board passed at its meeting held on December 5, 2017 and approved by the resolution of our Shareholders in their meeting held on December 12, 2017 for appointment and remuneration of Executive Directors.
6. Board resolution of our Company dated May 3, 2018 and IPO Committee on May 4, 2018, approving the DRHP.
7. Board resolution dated November 7, 2017 for appointment of Chairman and Board resolution dated December 5, 2017 for appointment of Chief Executive Officer.
8. The examination report dated May 3, 2018 of the Statutory Auditors, on our Company's Restated Financial Information.
9. Board resolution dated December 5, 2017 and Shareholders resolution dated December 12, 2017 for appointment of Govind Gadgil as Whole-time Director.

10. Board resolution dated December 5, 2017 and Shareholders resolution dated December 12, 2017 for appointment of Renu Gadgil as Whole-time Director.
11. Board resolution dated December 5, 2017 and Shareholders resolution dated December 12, 2017 for appointment of Amit Modak as Whole-time Director. Further, the remuneration of Amit Modak, our Whole-time Director and Chief Executive Officer was revised by Board resolution dated April 18, 2018.
12. Consent letter dated May 4, 2018 from the Statutory Auditors of our Company for inclusion of their name as experts.
13. The PNG Employee Stock Option Plan 2018.
14. The Statement of Tax Benefits dated May 4, 2018 from the Statutory Auditors.
15. Vidyasagar Jadhav, an independent architect, has provided his written consent for the inclusion of extracts from the certificate dated April 28, 2018 and to be named as an expert as defined under the Companies Act, 2013 in relation thereto.
16. Consent of the Directors, BRLMs, Syndicate Members, legal counsel to our Company, legal counsel to the BRLMs, the Statutory Auditors, Bankers to the Issue, monitoring agency, Registrar to the Issue, Anchor Escrow Collection Banks, Bankers to our Company, Chief Financial Officer, Company Secretary and Compliance Officer, as referred to in their specific capacities.
17. Consent letter dated May 3, 2018 from CRISIL and their report titled 'Assessment of the gems and jewellery industry in India'.
18. Due Diligence Certificate dated May 4, 2018 addressed to SEBI from the BRLMs.
19. In-principle listing approvals dated [●] and [●] issued by BSE and NSE, respectively.
20. Tripartite agreement dated March 23, 2018 among our Company, NSDL and the Registrar to the Issue.
21. Tripartite agreement dated March 26, 2018 among our Company, CDSL and the Registrar to the Issue.
22. SEBI final observations letter no. [●] dated [●].

DECLARATION

We the Directors hereby certify and declare that all relevant provisions of the Companies Act and the regulations, rules or guidelines issued by the Government or the regulations, rules or guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, SCRR the SEBI Act or rules or regulations made or guidelines issued thereunder, as the case may be. We further certify that all disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

Govind Gadgil

(Chairman and Whole-time Director)

Ashish Khandelwal

(Independent Director)

Renu Gadgil

(Whole-time Director)

Ashok Gokhale

(Independent Director)

Amit Modak

*(Whole-time Director and
Chief Executive Officer)*

Ranjeet Natu

(Independent Director)

Udaya Kalkundrikar

(Non-Executive Director)

Ashutosh Nanal

(Independent Director)

SIGNED BY THE CHIEF FINANCIAL OFFICER

Aditya Modak

(Chief Financial Officer)

Place: Pune

Date: May 4, 2018