



JSK MARKETING LIMITED

CIN: U29300MH1985PLC037465

Our Company was incorporated as Kwik Appliances Private Limited on September 11, 1985, under the Companies Act, 1956 with the Registrar of Companies, Mumbai bearing Registration No. 037465. Pursuant to a special resolution passed by the shareholders of our Company at the extra-ordinary general meeting held on December 21, 2006 the name of our Company was changed to "JSK Marketing Private Limited" and a fresh Certificate of Incorporation pursuant to change of name dated December 29, 2006 has been issued by Registrar of Companies, Mumbai. Further, the status of our Company was changed to a public limited company and the name of our Company was changed to JSK Marketing Limited by a special resolution passed on February 21, 2017. A fresh certificate of incorporation consequent to the change of name pursuant to the conversion into public limited company was granted to our Company on March 17, 2017, by the Registrar of Companies, Mumbai. For details pertaining to the change in Registered Office, please refer the chapter "History and Certain Corporate Matters" on page no. 124 of this Draft Red Herring Prospectus.

Registered Office: 403-405, Sumer Kendra Co-Op Society Ltd, 4th Floor, Behind Mahindra Tower, Pandurang Budhkar Marg, Worli, Mumbai – 400 018.

Tel No.: +91 – 22 – 24963106 / 61209400; **Fax No.:** +91 – 22 – 24950945; **Email:** ipo@jaskindia.com; **Website:** www.jaskindia.com

Contact Person: Ms. Anupkumari Shukla, Company Secretary and Compliance Officer.

Our Promoter: Mr. Kunal Jiwrajka

THE ISSUE

PUBLIC ISSUE OF UPTO 56,04,000 EQUITY SHARES OF ₹ 10 EACH ("EQUITY SHARES") OF JSK MARKETING LIMITED ("JSK" OR THE "COMPANY") FOR CASH AT A PRICE OF ₹ [●] PER SHARE (THE "ISSUE PRICE"), AGGREGATING TO ₹ [●] LAKHS ("THE ISSUE"), OF WHICH UPTO 2,88,000 EQUITY SHARES OF ₹ 10 EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKERS TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF UPTO 53,16,000 EQUITY SHARES OF ₹ 10 EACH IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE UPTO 27.29% AND UPTO 25.88%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER ("BRLM") AND WILL BE ADVERTISED IN ALL EDITIONS OF THE ENGLISH NATIONAL NEWSPAPER [●], ALL EDITIONS OF THE HINDI NATIONAL NEWSPAPER [●] AND MUMBAI EDITIONS OF [●] (MARATHI BEING THE REGIONAL LANGUAGE OF MUMBAI, WHERE OUR REGISTERED OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST 2 (TWO) WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE WITH THE RELEVANT FINANCIAL RATIOS CALCULATED AT THE FLOOR PRICE AND THE CAP PRICE AND SHALL BE MADE AVAILABLE TO THE SME PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE EMERGE", REFERRED TO AS THE "STOCK EXCHANGE") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE.

In case of any revisions in 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 Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the website of the BRLM and the terminals of the Syndicate Members (defined herein below).

In terms of the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" beginning on page no. 225 of this Draft Red Herring Prospectus. A copy of the Red Herring Prospectus and the Prospectus will be delivered for registration to the Registrar of Companies as required under Section 32 of the Companies Act, 2013.

This Issue is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations. The Issue is being made in accordance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI (ICDR) Regulations"), wherein [●]% of the Net Issue shall be available for allocation on a proportionate basis to QIBs ("QIB Portion"), 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than [●]% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than [●]% 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. All investors shall participate in this Issue mandatorily through the Applications Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details of their respective bank accounts which will be blocked by SCSBs. Specific attention is invited to "Issue Procedure" beginning on page no. 225 of this Draft Red Herring Prospectus.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of the Company, there has been no formal market for the securities of the Company. The face value of the Equity Shares is ₹ 10 each and the Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value. The Issue Price (as determined and justified by our Company in consultation with the Book Running Lead Manager) as stated under "Basis for Issue Price" beginning on page no. 73 of this Draft Red Herring Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the equity shares of our Company or regarding the price at which the shares will be traded after listing.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The securities have not been recommended or approved by Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. **Specific attention of the Investors is invited to "Risk Factors" beginning on page no. 20 of this Draft Red Herring Prospectus.**

COMPANY'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 of our Company issued through this Draft Red Herring Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited ("NSE"). Our Company has received an In-principle approval letter dated [●] from NSE for using its name in the Issue document for listing our shares on the EMERGE Platform of National Stock Exchange of India Limited. For the purposes of this Issue, National Stock Exchange of India Limited shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGER



ARYAMAN FINANCIAL SERVICES LIMITED
60, Khatau Building, Ground Floor,
Alkesh Dinesh Modi Marg, Fort, Mumbai – 400 001
Tel No.: +91 – 22 – 6216 6999 **Fax No.:** +91 – 22 – 2263 0434
Email: ipo@afsl.co.in **Website:** www.afsl.co.in
Investor Grievance Email: feedback@afsl.co.in
Contact Person: Mr. Pranav Nagar
SEBI Registration No.: INM000011344

REGISTRAR TO THE ISSUE



BIGSHARE SERVICES PRIVATE LIMITED
1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis,
Makwana Road, Marol, Andheri East, Mumbai – 400 059
Tel No.: +91 – 22 – 6263 8200; **Fax No.:** +91 – 22 – 6263 8299;
Email: ipo@bigshareonline.com; **Website:** www.bigshareonline.com
Investor Grievance Email: investor@bigshareonline.com;
Contact Person: Mr. Babu Rapheal
SEBI Registration No.: INR000001385

BID / ISSUE PROGRAMME

BID / ISSUE OPENING DATE : [●]

BID / ISSUE CLOSING DATE : [●]

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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, rule, guideline or policy shall be to such legislation, act, regulation, rule, guideline or policy, as amended, supplemented or re-enacted from time to time.

The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made there under. If there is any inconsistency between the definitions given below and the definitions contained in the General Information Document (defined hereinafter), the following definitions shall prevail.

General Terms

Term	Description
JSK Marketing Ltd. / JML / Our Company / the Company / the Issuer / We / Us / Our	JSK Marketing Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 having its registered office at 403-405, Sumer Kendra Co-Op Society Ltd, 4 th Floor, Behind Mahindra Tower, Pandurang Budhkar Marg, Worli, Mumbai – 400 018

Company Related Terms

Term	Description
Articles, Articles of Association, AOA	The Articles of Association of our Company, as amended.
Audit Committee	The committee of the Board of Directors as described in the chapter “ <i>Our Management</i> ” on page no. 128 of this Draft Red Herring Prospectus re-constituted on February 05, 2019 in accordance with Section 177 of the Companies Act, 2013 and SEBI Listing Regulations.
Auditor / Statutory Auditor	The Statutory Auditors of our Company, being M/s. SSRV & Associates, Chartered Accountants having their office at 39/41, Paran Kuti, Office No. 103, 1 st Floor, 4 th Kumbharwada, Mumbai – 400 004
Board / Board of Directors / our Board	The Board of Directors of our Company, as duly constituted from time to time including any committees thereof.
Chief Financial Officer / CFO	Mr. Virendra Rai
Company Secretary and Compliance Officer / CS	Ms. Anupkumari Shukla
CSR Committee	The Corporate Social Responsibility committee of our Board, as described in the chapter “ <i>Our Management</i> ” on page no. 128 of this Draft Red Herring Prospectus.
Director(s)	Unless the context requires otherwise, the director(s) of our Company
Equity Shares	Equity Shares of our Company of face value of ₹ 10 each unless otherwise specified in the context thereof.
Equity Shareholders	Persons holding Equity Share of our Company.
Group Companies	<ul style="list-style-type: none"> • Radiohms Investment & Trading Private Limited • JSL Marketing Private Limited For details please refer page no. 145 of this Draft Red Herring Prospectus.
Key Management Personnel / KMP	The personnel listed as Key Managerial Personnel as described in the chapter “ <i>Our Management</i> ” on page no. 128 of this Draft Red Herring Prospectus.
Memorandum of Association / MOA	The Memorandum of Association of our Company.
Nomination and Remuneration Committee	The committee of the Board of Directors re-constituted on February 05, 2019 as our Company’s Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act, 2013

Term	Description
Promoter(s)	Mr. Kunal Jiwrajka
Promoter Group	The persons and entities constituting our promoter group pursuant to Regulation 2(1) (pp) of the SEBI ICDR Regulations.
Restated Financials / Restated Financial Information	The financial information of the Company which comprises of the restated statement of assets and liabilities as at September 30, 2018 and as at March 31, 2018, 2017 and 2016, the restated statement of profit and loss and the restated cash flow statement for the six months period ended September 30, 2018 and for the years ended March 31, 2018, 2017 and 2016, and the related notes, schedules and annexures thereto included in this Draft Red Herring Prospectus, which have been prepared in accordance with the requirements of the Companies Act, 2013, and restated in accordance with the ICDR Regulations.
Registered Office	403-405, Sumer Kendra Co-Op Society Ltd, 4 th Floor, Behind Mahindra Tower, Pandurang Budhkar Marg, Worli, Mumbai – 400 018
Registrar of Companies / RoC	Registrar of Companies, Mumbai situated at Everest 5 th Floor, 100, Marine Drive, Mumbai – 400 002
Stakeholders' Relationship Committee	The committee of the Board of Directors re-constituted on February 05, 2019 as our Company's Stakeholders' Relationship Committee.

Offer Related Terms

Term	Description
Abridged Prospectus	Abridged Prospectus to be issued under Regulation 255 of SEBI ICDR Regulations and appended to the Application Form
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the ASBA Form
Allot / Allotment / Allotted	The allotment of the Equity Shares pursuant to the Issue to the successful Bidders.
Allotment Advice	The note or advice or intimation of Allotment of the Equity Shares sent to the Bidders who have been or are to be allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee(s)	A successful Bidder to whom Allotment is made.
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used compulsorily by all the Bidders (except Anchor Investors) authorizing the SCSBs to block the Bid Amount in their specified bank account maintained with the SCSB.
ASBA Account	A bank account maintained with an SCSB and specified in the Bid-cum-Application Form submitted by a Bidder, which will be blocked by such SCSB to the extent of the Bid Amount specified by the Bidder.
Banker(s) to the Company	Such banks which are disclosed as Bankers to our Company in the chapter titled “ <i>General Information</i> ” on page no. 50 of this Draft Red Herring Prospectus.
Banker(s) to the Issue / Escrow Collection Bank(s)	The banks which are Clearing Members and registered with SEBI as Banker to an Issue with whom the Escrow Agreement is entered and in this case being [●].
Basis of Allotment	Basis on which the Equity Shares will be Allotted to successful Bidders under the Issue and which is described in the chapter “ <i>Issue Procedure</i> ” on page no. 225 of this Draft Red Herring Prospectus.
Bid / ASBA Bid	An indication to make an offer during the Bid / Issue Period by a Bidder pursuant to submission of the Bid-cum-Application Form to subscribe to or purchase the Equity Shares 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 this Draft Red Herring Prospectus and the Bid cum Application Form.
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 on submission of a Bid in the Issue.
Bid cum Application Form	The form, whether physical or electronic, used by a Bidder, to make a Bid and which will be considered as a Bid for Allotment in terms of the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus.
Bid Lot	[●] Equity Shares.
Bid Price	The prices indicated against each optional Bid in the Bid cum Application Form.

Term	Description
Bid / Issue Closing Date	The date after which the Designated Intermediaries will not accept any Bids, and which shall be notified in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and the regional edition of [●] (a widely circulated Marathi newspaper, Marathi being the regional language of the State of Maharashtra, where the Registered Office of our Company is situated) and in case of any revision, the extended Bid Closing Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid / Issue Opening Date	The date on which the Designated Intermediaries shall start accepting Bids, and which shall be notified in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and the regional edition of [●] (a widely circulated Marathi newspaper, Marathi being the regional language of the State of Maharashtra, where the Registered Office of our Company is situated).
Bid / Issue Period	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, inclusive of any revision thereof. Provided however that the Bidding shall be kept open for a minimum of three (3) Working Days for all categories of Bidders.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of this Draft Red Herring Prospectus, and the Bid-cum-Application Form unless stated or implied otherwise
Bidding	The process of making a Bid.
Bidding Centre	Centres at which Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches 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 / Method	The book building route as provided under Schedule XIII of the SEBI ICDR Regulations in terms of which the Issue is being made.
Book Running Lead Manager / BRLM	Aryaman Financial Services Limited.
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders can submit the Bid cum Application Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange.
Business Day	Monday to Friday (except public holidays)
CAN / Confirmation of Allocation Note	The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Cap Price	The higher end of the Price Band and any revisions thereof, above which the Issue Price will not be finalized 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(s) / CDP(s)	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
Controlling Branches	Such Branches of the SCSBs which co-ordinate Bids by the Bidders with the BRLM, Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in .
Cut-Off Price	Issue Price, as finalised by our Company in consultation with the BRLM, which shall be any price within the Price Band. Only Retail Individual Bidders 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	The demographic details of the Bidders such as their Address, PAN, Occupation and Bank Account details.
Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 i.e. CDSL and NSDL
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository Participant / DP	A depository participant registered with the SEBI under the Depositories Act.

Term	Description
Designated Branches	Such branches of the SCSBs, which shall collect the Bid cum Application Form from ASBA Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from, time to time.
Designated Locations	CDP Such locations of the CDPs where Bidders can submit the Bid-cum-Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid-cum-Application Forms are available on the respective websites of the Stock Exchanges (at www.nseindia.com) as updated from time to time.
Designated Date	The date on which funds are transferred 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, in terms of this Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus, and the aforesaid transfer and instructions shall be issued only after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange.
Designated Intermediaries / Collecting Agent	Collectively, the Syndicate, Sub-Syndicate Members/ agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect Bid-cum-Application Forms from the Bidders in the Issue.
Designated Market Maker	Market Aryaman Capital Markets Limited (formerly known as Aryaman Broking Limited) will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations.
Designated Locations	RTA Such locations of the RTAs where Bidders can submit the Bid-cum-Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid-cum-Application Forms are available on the websites of the Stock Exchange (www.nseindia.com) as updated from time to time.
Designated Exchange	Stock EMERGE Platform of National Stock Exchange of India Limited
Draft Red Herring Prospectus / DRHP	This Draft Red Herring Prospectus dated February 15, 2019 prepared and issued by our Company 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 NRI(s)	NRI(s) from such a jurisdiction outside India where it is not unlawful to make an offer or invitation under this Issue and in relation to whom this Draft Red Herring Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares.
Eligible QFIs	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an invitation under the offer and in relation to whom this Draft Red Herring Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares issued thereby, and who have opened dematerialized accounts with SEBI registered qualified depository participants, and are deemed as FPIs under the SEBI FPI Regulations
Escrow Account(s)	Account opened with the Escrow Collection Bank(s)
Escrow Agreement	The Agreement dated [●] entered into amongst the Company, the BRLM, the Registrar to the Issue and the Banker to the Issue to receive monies from the Bidders through the SCSBs Bank Account on the Designated Date in the Public Issue Account.
First Bidder	Bidder whose name appears first in the Bid cum Application Form in case of a joint bid and whose name shall also appear as the first holder of the beneficiary account held in joint names or any revisions thereof.
Floor Price	The lower end of the Price Band, and any revisions thereof, below which the Issue Price will not be finalized and below which no Bids will be accepted and which shall not be less than the face value of the Equity Shares, in this case being ₹ [●]
Foreign Investor / FPIs	Portfolio Foreign Portfolio Investor as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014.
General Information Document / GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 notified by SEBI.
Issue	The Public Issue of upto 56,04,000 Equity Shares of face value of ₹ 10 each for cash at a

Term	Description
	price of ₹ [●] each, aggregating up to ₹ [●] lakhs.
Issue Agreement	The agreement dated February 07, 2019 entered into between our Company and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Expenses	Expenses in connection with the Issue (including the listing fees).
Issue Price	The price as determined by our Company in consultation with the BRLM on the Pricing Date, at which the Equity Shares will be issued and Allotted / transferred in terms of this Draft Red Herring Prospectus.
Issue Proceeds	The proceeds of this Issue available to our Company.
Listing Agreement	The listing agreement(s) to be entered into by our Company with the Stock Exchanges
Market Making Agreement	Market Making Agreement dated February 07, 2019 between our Company, Book Running Lead Manager and Market Maker.
Market Maker Reservation Portion	The Reserved Portion of 2,88,000 Equity Shares of face value of ₹ 10 each fully paid for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] lakhs for the Market Maker in this Issue.
Maximum RII Allottees	Maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Mutual Fund Portion	Upto 28,000 Equity Shares or 5% of the Net QIB Portion, available for allocation to Mutual Funds only.
Net Issue	The Issue less the Market Maker Reservation Portion, i.e. the Net Issue of 53,16,000 Equity Shares of ₹ 10 each at ₹ [●] per Equity Share aggregating to ₹ [●] lakhs by the Company.
Net Proceeds / Net Issue Proceeds	Proceeds of the Issue less the Issue related expenses. For further details regarding the use of the Net Proceeds and the Issue expenses, see “ <i>Objects of the Issue</i> ” beginning on page no. 67 of this Draft Red Herring Prospectus.
Non-Institutional Bidders	All Bidders that are not Qualified Institutional Buyers or Retail Individual Bidders and who have Bid for Equity Shares for a cumulative amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs, QFIs other than Eligible QFIs).
Non-Institutional Portion / Non-Institutional Category	The portion of the Issue being not less than [●]% of the Issue consisting of not less than [●] Equity Shares, available for allocation on a proportionate basis to Non- Institutional Bidders subject to valid bids received at or above the Issue Price.
Non-Resident	Person resident outside India, as defined under FEMA and includes a non-resident Indian, FIIs, FVCIs and FPIs
Non - Resident Indian	An individual resident outside India who is a citizen of India or is an ‘Overseas Citizen of India’ cardholder within the meaning of section 7(A) of the Citizenship Act, 1955, and shall have the meaning ascribed to such term in the FEMA Regulations
NSE EMERGE Platform	NSE EMERGE SME Platform approved by SEBI as an SME Exchange for listing of equity shares Issued under Chapter IX of the SEBI ICDR Regulations, 2018.
Price Band	Price band between the Floor Price and Cap Price (both included), 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 BRLM and advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and the regional edition of [●] (a widely circulated Marathi newspaper, Marathi being the regional language of the State of Maharashtra, where the Registered Office of our Company is situated) at least five Working Days prior to the Bid / Issue Opening Date.
Pricing Date	The date on which the Issue Price is finalized by our Company, in consultation with the BRLM.
Prospectus	The prospectus of our Company to be filed with the RoC for this issue after the Pricing Date, within the provisions of Section 26 of the Companies Act, 2013 and the SEBI ICDR Regulations containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information.
Public Issue Account	A bank account opened in accordance with the Companies Act, 2013 to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date.

Term	Description
QIBs / Qualified Institutional Buyers	Qualified Institutional Buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
QIB Portion / QIB Category	The portion of the Issue being [●] Equity Shares which shall be available for allocation to QIBs on a proportionate basis.
Red Herring Prospectus / RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares shall be issued and the size of the Issue. The Red Herring Prospectus will be registered with the RoC at least three Working Days before the Bid / Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date.
Refund Account(s)	The account(s) opened by our Company, from which refunds of the whole or part of the Bid Amount to the Bidders shall be made.
Refunds through electronic transfer of funds	Refunds through NECS, NEFT, direct credit or RTGS, as applicable.
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, [●]
Registrar Agreement	The agreement dated December 07, 2018, entered between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 04, 2012 issued by SEBI.
Registrar and Share Transfer Agents / RTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar / Registrar to the Issue	Bigshare Services Private Limited
Retail Individual Investors / RIIs	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who Bid for the Equity Shares of a value of not more than ₹ 2,00,000 in any of the Bidding options in the Issue.
Retail Portion	The portion of the issue being not less than [●]% of the Issue, consisting of not less than [●] Equity Shares, available for allocation on a proportionate basis 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	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their Bid-cum-Application Forms or any previous Revision Form(s). QIB Bidders and Non-Institutional Investors 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 can revise their Bids during the Bid / Issue Period and withdraw their Bids until the Bid / Issue Closing Date.
Self Certified Syndicate Bank(s) / SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and which offer services in relation to ASBA, a list of which is available on website of SEBI (http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries) and updated from time to time.
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms from the Bidders.
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the BRLM and the Syndicate Members, to collect Bid-cum-Application Forms and Revision Forms.
Syndicate	BRLM and the Syndicate Members
Syndicate Agreement	The agreement dated [●] to be entered into amongst the BRLM, the members of the Syndicate, our Company and the Registrar to the Issue in relation to the collection of Bids in the Issue by the Syndicate.
Syndicate Members	An Intermediary registered with the SEBI to act as a syndicate member and who are

Term	Description
	permitted to carry out activities as an underwriter, namely [●]
TRS / Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application.
Underwriters	Aryaman Financial Services Limited and Aryaman Capital Markets Limited
Underwriting Agreement	The agreement to be entered into between the Underwriters and our Company on or after the Pricing Date.
U.S. Securities Act	U.S. Securities Act of 1933, as amended.
Wilful Defaulter	A company or a person categorized 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 categorized as such.
Working Day	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 the time period between (a) announcement of Price Band and the Bid/Offer Closing Date, “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 (b) the Bid/Offer 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.

Technical / Industry related Terms

Term	Description
AEA	M/s. Associated Electrical Agency, forming part of the Promoter Group
AEPS	Aadhar Enabled Payment Systems
AIDCM	Association of Indian Dry Cell Manufacturers
AMRUT	Atal Mission for Rejuvenation and Urban Transportation
APoB	Additional Place of Business(es)
ASEAN-5	Association of Southeast Asian Nations
BHIM	Bharat Interface For Money
C&F	Clearing and Forwarding
CCI	Competition Commission of India
CES	Consumer Expenditure Survey
CII	Confederation of Indian Industry
Coe-IoT	Centre of Excellence for IoT
CPI	Consumer price index
DGAD	Directorate General of Anti-Dumping and Allied Duties
DGS&D	Directorate General Supply and Disposal
DIPP	Department of Industrial Policy & Promotion
EDI	Electronic data interchange
EIIL	Eveready Industries India Ltd.
Fitch	Fitch Ratings
FMCG	Fast Moving Consumer Goods
FMS	Fertiliser Monitoring System
GDP	Gross Domestic Product
GeM	Government e-Marketplace
GFCE	Government final consumption expenditure
GFCF	Gross fixed capital formation
GMV	Gross merchandise value
GNDI	Gross National Disposable Income
GVA	Gross value added
IAMAI	Internet and Mobile Association of India
IMF	International Monetary Fund
Ind-Ra	India Ratings
ISRO	Indian Space Research Organization

KYC	Know-your-customer
LED Lamps	Light-Emitting Diode Lamps
LIB	Lithium-ion Battery
NBFC	Non-Banking Financial Companies
NiCd	Nickel-cadmium Battery
NiMH	Nickel Metal Hydride Battery
NITI Aayog	National Institution for Transforming India
NIU	National Information Utility
NOFN	National Optical Fibre Network
NPCI	National Payments Corporation of India
NSS	National Sample Survey
OECD	Organization for the Economic Cooperation and Development
OPEC	Organization of the Petroleum Exporting Countries
PEICL	Panasonic Energy India Company Limited
PFCE	Private final consumption expenditure
POS	Point of sale
PPP	Purchasing power parity
RBI	Reserve Bank of India
SPV	Special Purpose Vehicle
UNDESA	UN Department of Economic and Social Affairs
WEO	World Economic Outlook

Conventional Terms / General Terms / Abbreviations

Term	Description
₹/Rs./ Rupees	Indian Rupees
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
AS / Accounting Standards	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Application Supported by Blocked Amount
AY	Assessment Year
BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994.
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Category I Foreign Portfolio Investors / Category I FPIs	FPIs who are registered with SEBI as “Category I foreign portfolio investors” under the SEBI FPI Regulations.
Category II foreign portfolio investor(s) / Category II FPIs	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
Category III foreign portfolio investor(s) / Category III FPIs	FPIs who are registered as “Category III foreign portfolio investors” under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIBIL	Credit Information Bureau (India) Limited
CIN	Company Identification Number
CIT	Commissioner of Income Tax
Client ID	Client identification number of the Applicant’s beneficiary account
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, as amended
CS	Company Secretary
CSR	Corporate Social Responsibility
CST	Central Sales Tax
DIN	Director Identification Number
DP	Depository Participant as defined under the Depositories Act
DP ID	Depository Participant's identification
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ECS	Electronic Clearing System
EOGM / EGM	Extraordinary General Meeting
EMDEs	Emerging Market and Developing Economies
EPS	Earnings Per Share
Euro / €	Euro, the official currency of the European Union.
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
FIs	Financial Institutions
FIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
FPIs	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investor registered under the FVCI Regulations.
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended.
FY / Fiscal / Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
GDP	Gross Domestic Product
GoI / Government	The Government of India
Gratuity Act	The Payment of Gratuity Act, 1972
GST	Goods & Services Tax
HNI	High Networth Individuals
HUF	Hindu Undivided Family
IAS Rules	Indian Accounting Standards, Rules 2015
ICAI	The Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IEC	Importer Exporter Code
IFRS	International Financial Reporting Standards
Ind AS	Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015
Ind AS Rules	The Companies (Indian Accounting Standard) Rules, 2015
India	The Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
Insolvency and Bankruptcy Code, 2016	The Insolvency and Bankruptcy Code, 2016, as amended
IT	Information Technology
I. T. Act / Income Tax Act	Income Tax Act, 1961, as amended from time to time
IT Department	Income Tax Department, GoI.
IPO	Initial Public Offering
ISIN	International Securities Identification Number
KM / Km / km	Kilo Meter

Term	Description
LIBOR	London Interbank Offered Rate
Limited Liability Partnership or LLP	Limited Liability Partnership registered under the Limited Liability Partnership Act, 2008.
MCLR	Marginal Cost of funds based Lending Rates
MCA	Ministry of Corporate Affairs, Government of India
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MoF	Ministry of Finance, Government of India
MICR	Magnetic ink character recognition
MOU	Memorandum of Understanding
NA / N. A.	Not Applicable
NAV	Net Asset Value
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
No.	Number
NoC	No Objection Certificate
NR or Non Resident	A person resident outside India, as defined under FEMA, including an Eligible NRI and FII
NRE Account	Non Resident External Account
NRI	A person resident outside India, as defined under FEMA and who is a citizen of India or a person of Indian origin, such term as defined under the Foreign Exchange Management (Deposit) Regulations, 2000.
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE / Stock Exchange	The 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 60.00% by NRIs including overseas trusts, in which not less than 60.00% 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
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PCB	Pollution Control Board
PLR	Prime Lending Rate
QA	Quality Assurance
QC	Quality Check / Control
R & D	Research and Development
RBI	The Reserve Bank of India
ROE	Return on Equity
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000

Term	Description
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time.
SEBI LODR Regulations, 2015 / SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified on September 2, 2015, as amended from time to time.
SEBI SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
Sec.	Section
Securities Act	U.S. Securities Act of 1933, as amended
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SME	Small and Medium Enterprises
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number allotted the Income Tax Act, 1961, as amended from time to time.
TIN	Taxpayers Identification Number
TDS	Tax Deducted at Source
UPI	Unified Payments Interface
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the Unites States of America
VAT	Value added tax
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
w. r. t.	With Respect To
Y-O-Y	Year-over-Year

CERTAIN CONVENTIONS AND PRESENTATION OF FINANCIAL

Certain Conventions

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

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

Financial Data

Unless stated otherwise, the financial information in this Draft Red Herring Prospectus is derived from our Restated Financial Statements. Certain additional financial information pertaining to our Group Company is derived from its financial statements. The Restated Financial Statements included in this Draft Red Herring Prospectus are as at and for the six month period ended September 30, 2018 and the Fiscals ended March 31, 2018, March 31, 2017 and March 31, 2016, and have been prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI (ICDR) Regulations. For further information, see please refer “*Financial Information*” beginning on page no. 149 of this Draft Red Herring Prospectus.

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.

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. Unless stated otherwise, or the context requires otherwise, all references to a “year” in this Draft Red Herring Prospectus are to a calendar year.

There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company’s financial data. Accordingly to what extent, the financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian Accounting Practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” on page nos. 20, 99 and 172 respectively, of this Draft Red Herring Prospectus, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Financial Statements of our Company.

Currency and Units of Presentation

All references to:

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

Definitions

For definitions, please refer the Chapter titled “*Definitions and Abbreviations*” on page no. 1 of this Draft Red Herring Prospectus. In the Section titled “*Main Provisions of the Articles of Association of our Company*” beginning on page no. 244 of this Draft Red Herring Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

Industry and Market Data

The chapter titled “*Industry Overview*” quotes and otherwise includes information from a commissioned report, prepared by IRR Advisory Services Private Limited for purposes of this Draft Red Herring Prospectus (“*Industry Report*”). We have not commissioned any report for purposes of this Draft Red Herring Prospectus other than the one mentioned above. We commissioned IRR Advisory Services Private Limited to provide an independent assessment of the opportunities, dynamics and competitive landscape of the markets in India for the business we are engaged in. Except for the Industry Report, market and industry related data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available documents and other industry sources. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the chapter “*Risk Factors*” on page no. 20 of this Draft Red Herring Prospectus. Accordingly, investment decisions should not be based solely on 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 we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Accordingly, no investment decision should be made based on such information.

In accordance with the SEBI ICDR Regulations, the chapter “*Basis for Issue Price*” on page no. 73 of this Draft Red Herring Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLM have independently verified such information.

The Industry Report is subject to the following disclaimer:

“This report is prepared by IRR Advisory Services Pvt. Ltd. (IRR Advisory). IRR Advisory has taken utmost care to ensure accuracy and objectivity while developing this report. IRR Advisory is not responsible for any errors or omissions in analysis / inferences / views or for results obtained from the use of information contained in this report and especially states that IRR advisory has no financial liability whatsoever to the user of this report. This report is for the information of the intended recipients only and no part of this report may be published or reproduced in any form or manner without prior written permission of IRR Advisory.”

FORWARD-LOOKING STATEMENTS

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

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

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

- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Inability to identify the new premises may adversely affect the operations, finances and profitability of the Company;
- Uncertainty regarding the retail market, product prices, economic conditions and other factors beyond our control;
- Inability to identify or effectively respond to consumer needs, expectations or trends in a timely manner;
- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various projects;
- Volatility of loan interest rates and inflation;
- Our failure to keep pace with rapid changes in technology;
- Our ability to meet our further capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Conflict of Interest with affiliated companies, the promoter group and other related parties;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;

-
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
 - Changes in government policies and regulatory actions that apply to or affect our business;
 - The performance of the financial markets in India and globally;
 - The occurrence of natural disasters or calamities; and
 - Failure to successfully upgrade our products and service portfolio, from time to time.

For further discussions of factors that could cause our actual results to differ, please refer the section titled “*Risk Factors*”, “*Business Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page nos. 20, 99 and 172 of this Draft Red Herring Prospectus, respectively.

Neither our Company, our Directors, our Promoter, the BRLM 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 SEBI requirements, our Company will ensure that investors in India are informed of material developments from the date of this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges.

SECTION II – OFFER DOCUMENT SUMMARY

A. Our Company

Our Company is a product marketing company involved in the trading and distribution of various products in multiple verticals such as digital consumer electronics, apparels, garments, fabrics and textiles / fashion & lifestyle, batteries & torches, white goods, office electronics, household items and agro & other commodities. We are engaged in a broad based distribution model, based on multiple products and multi-brand strategy and also engaged in trading activities for various products, branded & local and industrial & consumer products. In the year 2008, our Company has developed and registered an in-house brand known as “Tigon” for torches and shoes.

Industry Overview

- There are direct and indirect channels of distribution in the retail market adopted in India.
- E-commerce is the activity of buying or selling of products on online services or over the Internet.
- Electronics market in India was estimated to be around USD 100 bn in size in FY17, out of which electronics products segment contributed 82% to the overall electronics market.
- The Indian pencil batteries market is currently pegged at INR16.5bn by value and 2.7bn pieces by volume as of FY18.

B. Our Promoters

Our Company is promoted by Mr. Kunal Jiwarajka.

C. Size of the Issue

Issue ⁽¹⁾	Upto 56,04,000 Equity Shares of ₹ 10 each for cash at a price of ₹ [●] per share, aggregating to ₹ [●] lakhs
<i>of Which</i>	
Market Maker Reservation	Upto 2,88,000 Equity Shares of ₹ 10 each for cash at a price of ₹ [●] per share, aggregating to ₹ [●] lakhs
Net Issue	Upto 53,16,000 Equity Shares of ₹ 10 each for cash at a price of ₹ [●] per share, aggregating to ₹ [●] lakhs

D. Object of the Issue

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

Particulars	Amount (in ₹ lakhs)
Funding Working Capital Requirement of the Company	6,030.00
General Corporate Purposes ⁽¹⁾	[●]
	[●]

⁽¹⁾ The amount utilised for general corporate purposes shall not exceed 25% of the Net Proceeds of the Issue.

E. Pre-Issue Shareholding of our Promoters and Promoter Group, Selling Shareholder(s) as a percentage of the paid-up share capital of the Company

Category of Promoter	Pre-Issue	
	No. of Shares	As a % of paid-up Equity Capital
1. Promoter	55,86,000	37.40%
2. Promoter Group	93,48,000	63.60%

F. Summary of Financial Information

(₹ in lakhs)

Particulars	For the period ended September 30, 2018	For the year ended March 31,		
		2018	2017	2016
Share Capital	1,493.40	248.90	248.90	214.85
Net Worth ⁽¹⁾	9,417.14	8,118.94	4,842.84	2,186.35
Total Revenue	53,969.81	71,749.09	57,821.80	34,387.60
Profit after Tax	1,397.42	3,175.98	2,148.88	924.08
Earnings Per Share				
- Basic	9.36	21.27	15.23	7.46
- Diluted	9.36	21.27	15.23	7.46
Net Asset Value Per Share (₹)	63.06	326.19	194.57	1,163.79
Total Borrowings	31,699.92	26,429.93	18,707.67	6,664.21

⁽¹⁾ Net worth does not include Preference Share Capital and Share Application Money, if any

G. Qualification of the Auditors

The Restated Financial Statements do not contain any qualification requiring adjustments by the Auditors.

H. Summary of Outstanding Litigation are as follows

Sr. No.	Nature of Case	No. of Outstanding cases	Amount to the extent quantifiable (in ₹ lakhs)
1.	Litigation against our Company		
a)	Direct Tax Liabilities	7	348.09
b)	Indirect Tax Liabilities	15	658.30
2.	Litigations against our Promoters & Directors		
a)	Direct Tax Liabilities	11	5.40
b)	Civil Matters	-	-

For the details of litigation proceedings, please refer the chapter titled “*Outstanding Litigations and Material Developments*” on page no. 195 of this Draft Red Herring Prospectus.

I. Risk Factors

Investors should read chapter titled “*Risk Factors*” beginning on page no. 20 of this Draft Red Herring Prospectus.

J. Summary of Contingent Liabilities

Summary table of our contingent liabilities not provided for in our Restated Financial Statements is as follows:

(₹ in lakhs)

Particulars	As at Sept 30, 2018	As at March 31,		
		2018	2017	2016
Income Tax Demand	336.39	336.39	32.08	12.45
Income Tax Litigation	10.99	10.99	10.99	10.99
TDS Demand	316.58	316.58	311.08	87.18
Sales Tax / VAT Litigation	506.01	506.01	506.01	506.01
Total	1,169.97	1,169.97	860.16	616.63

For further information, please refer “*Annexure XXVI – Contingent Liability*” on page no. 169 of this Draft Red Herring Prospectus.

K. Summary of Related Party Transactions

Our Company has entered into certain transactions with our related parties including our Promoters, Promoter Group, Directors and their relatives as mentioned below:

Particulars	Six months ended Sept 30, 2018	Fiscal		
		2018	2017	2016
1) Finance				
Loan Taken	5,024.42	3,847.94	3,891.46	3,120.00
Repayment of Loan taken	(3,291.99)	(3,669.50)	(1,949.75)	(3,132.36)
2) Expenses				
interest paid				120.39
Remuneration	37.44	45.00	24.00	27.00
3) Outstanding				
Unsecured Loans	6,404.54	4,669.29	4,490.85	2,549.45
Payables				

For details of the Related Party Transactions as reported in the Restated Financials, please refer "*Financial Statements – Annexure XXV – Related Party Transactions*" on page no. 168 this Draft Red Herring Prospectus.

L. Financing Arrangements

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 during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.

M. Weighted Average Price of the Equity Shares acquired by each of the Promoters in the last one year preceding the date of this Draft Red Herring Prospectus

During the preceding one year from the date of the Draft Red Herring Prospectus, our Promoter, Mr. Kunal Jiwrajka was allotted 46,55,000 Equity Shares, pursuant to bonus issue of Equity Shares made by the Company on June 12, 2018. Since the bonus allotment does not involve any consideration, the weighted average price of such Equity Shares is 'Nil'.

N. Average Cost of Acquisition

The average cost of acquisition per Equity Share to our Promoter as at the date of this Draft Red Herring Prospectus is:

Promoter	Average cost (₹)
Mr. Kunal Jiwrajka	9.57

O. Pre-IPO Placement details

Our Company has not proposed any Pre-IPO Placement in this Issue.

P. Issue of Equity Shares for consideration other than cash in the last one year

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

Date of Allotment	Name of the Allottee	Number of Shares	Face Value (₹)	Issue Price (₹)	Reason	Promoter/Promoter Group/Public
June 12, 2018 ⁽¹⁾	Laxmidevi Jiwrajka	64,60,000	10	Nil	Bonus Issue	Promoter & Promoter Group
	Kunal Jiwrajka	46,55,000				
	Savitridevi Jiwrajka	4,73,000				
	Sakshi Jiwrajka	500				
	JSL Marketing Pvt. Ltd.	500				
	Kunal Jiwrajka HUF	500				
	Kavya Jiwrajka	500				
	Radiohms Investment & Trading Pvt. Ltd.	8,55,000				

⁽¹⁾ Pursuant to EGM held on June 08, 2018, our Company had issued 1,24,45,000 Bonus Shares in the ratio of 5:1 i.e. 5 equity share for every 1 equity share held by the shareholders, by way of capitalization of securities premium of the Company.

Q. Split / Consolidation of Equity Shares in the last one year

Our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus.

SECTION III – RISK FACTORS

An investment in Equity Shares involves a high degree of financial risk. You should carefully consider all information in this Draft Red Herring Prospectus, including the risks described below, before making an investment in our Equity Shares. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, as well as the other risks and uncertainties discussed in this Draft Red Herring Prospectus, could have a material adverse effect on our business and could cause the trading price of our Equity Shares to decline and you may lose all or part of your investment. In addition, the risks set out in this Draft Red Herring Prospectus are not exhaustive. Additional risks and uncertainties, whether known or unknown, may in the future have material adverse effect on our business, financial condition and results of operations, or which we currently deem immaterial, may arise or become material in the future. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with the sections entitled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page nos. 99 and 172 of this Draft Red Herring Prospectus respectively as well as other financial and statistical information contained in this Draft Red Herring Prospectus. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein.

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

Materiality

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

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

Internal Risk Factors

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

Our Company Promoters and Directors are parties to certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts, tribunals and forums. Mentioned below are the details of the proceedings involving our Company, Promoters and Directors as on the date of this Draft Red Herring Prospectus along with the amount involved, to the extent quantifiable, based on the materiality policy for litigations, as approved by the Company in its Board meeting held on February 05, 2019.

Sr. No.	Nature of Case	No. of Outstanding cases	Amount in dispute/demanded to the extent quantifiable (₹ in lakhs) ⁽¹⁾
1.	Litigations against our Company		
(a)	Direct Tax Liabilities	7	348.09
(b)	Indirect Tax Liabilities	15	658.30
2.	Litigations against our Directors		
(a)	Direct Tax Liabilities	11 ⁽²⁾	5.40 ⁽²⁾
3.	Litigations against our Promoters		
(a)	Direct Tax Liabilities	9	2.21/-

⁽¹⁾ The above outstanding amounts are as per the pending amounts reflected in the online records of the website of the Income-tax Department. As on date, no demand notices or other proceedings have been issued to/served upon the Company calling upon the Company to pay the above amount.

⁽²⁾*The number of outstanding cases and the amount in dispute is inclusive of 9 outstanding matters and amount in dispute of ₹ 2.21 lakhs.*

There can be no assurance that these litigations will be decided in favour of our Company, its Promoters and its Directors and consequently it may divert the attention of our management and Promoters and waste our corporate resources and we may incur significant expenses in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If such claims are determined against us, there could be a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares. For the details of the cases filed by and against our Company, Promoters and Directors please refer to the chapter titled “*Outstanding Litigations and Material Developments*” beginning on page no. 195 of this Draft Red Herring Prospectus.

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

We require several statutory and regulatory permits, licenses and approvals to operate our business, some of which our Company has either received, applied for or is in the process of application. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Non-renewal of the said permits and licenses would adversely affect our Company’s operations, thereby having a material adverse effect on our business, results of operations and financial condition. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Our Company has a certain offices/godowns as mentioned below. Further, our Company requires to obtain certain registrations under the shops and establishment legislations which have not been obtained as on date of this Draft Red Herring Prospectus. Details of the approvals for which applications are yet to be made or which are pending before the appropriate authorities are more particularly mentioned in the chapter titled “*Government and Other Key Approvals*” beginning on page no. 201 of this Draft Red Herring Prospectus.

Further, some of our permits, licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business. For further details, please see chapters titled “*Key Regulations and Policies*” and “*Government and Other Key Approvals*” at page nos. 117 and 201 respectively of this Draft Red Herring Prospectus.

3. *Our business is working capital intensive. If we are unable to generate sufficient cash flows to allow us to make required payments on our debt or fund working capital requirements, there may be an adverse effect on our results of operations.*

Our business is working capital intensive including fund requirement for payment for bulk purchases of various products across different brands and product verticals. Hence, major portion of our working capital is utilised towards debtors and inventory. Our debtors for the six month period ended September 30, 2018 and for the F. Y. 2017-18, 2016-17 and 2015-16 was 143%, 130%, 185% and 213% of the total net worth respectively in each period / year. Our inventories for the six month period ended September 30, 2018 and for the F. Y. 2017-18, 2016-17 and 2015-16 was 386%, 389%, 436% and 329% of the total net worth respectively in each period / year.

The results of operations of our business are dependent on our ability to effectively manage our inventory (stock of traded goods) and trade receivables. To effectively manage our inventory, we must be able to accurately estimate customer demand and supply requirements and purchase new inventory accordingly. However, if our management misjudges expected customer demand, it could cause either a shortage of products or an accumulation of excess inventory. Further, if we fail to sell the inventory we purchase, we may be required to write-down our inventory or pay our suppliers without new purchases, or create additional vendor financing, all of which could have an adverse impact on our income and cash flows. To effectively manage our trade receivables, we must be able to accurately evaluate the credit worthiness of our customers including small dealers, stockists & retailers and ensure that suitable terms and conditions are given to them in order to ensure our continued relationship with them. However, if our management fails to accurately evaluate the credit worthiness of our customers, it may lead to bad debts, delays in recoveries and / or write-offs which could lead to a liquidity crunch, thereby adversely affecting our

business and results of operations. A liquidity crunch may also result in increased working capital borrowings and, consequently, higher finance cost which will adversely impact our profitability.

We have a sanctioned limit for working capital of ₹ 32,575.25 lakhs from the existing bankers / financial institutions. Our inability to maintain sufficient cash flow, credit facility and other sourcing of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. In the event we are not able to recover our dues from our trade receivables or sell our inventory, we may not be able to maintain our Sales level and thus adversely affecting our financial health. If this situation persists, we may not be able to pay our lenders / creditors and we may be forced to go for Corporate Debt Restructuring (CDR) which may result in adversely affecting our operations and future prospects.

4. *We have incurred substantial indebtedness which exposes us to various risks which may have an adverse effect on our business and results of operations. We may also be unable to obtain future financing to fund our operations, expected capital expenditure and working capital requirements on favourable terms, or at all.*

As of September 30, 2018 and March 31, 2018, we have ₹ 31,699.91 lakhs and ₹ 26,429.94 lakhs respectively, of outstanding debt on our balance sheet. Our level of indebtedness has important consequences to us, such as:

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

If any of these risks were to materialise, our business and results of operations may be adversely affected. Our business requires funding for capital expenditure and working capital requirements. The actual amount and timing of future capital expenditure may depend on several factors, among others, new opportunities, availability of land, regulatory approvals, regulatory changes, economic conditions, technological changes and market developments in our industry. Our sources of additional funding, if required, to meet our capital expenditure may include the incurrence of debt or the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. In case there is insufficient cash flow to meet our working capital requirement or we are unable to arrange the same from other sources or there is delay in disbursement of arranged funds, or there is any increase in interest rate on our borrowings, it may adversely affect our operations and profitability. These factors may result in an increased amount of short-term borrowings. Continuous increase of our working capital requirements may have an adverse effect on our results of operations and financial condition.

Further our ability to arrange for additional funds on acceptable terms is subject to a variety of uncertainties, including future results of operations, financial condition and cash flows; economic, political conditions and market scenario for our products; costs of financing, liquidity and overall condition of financial and capital markets in India; issuance of necessary business/government licenses, approvals and other risks associated with our businesses; and limitations on our ability to raise capital in capital markets and conditions of the Indian and other capital markets in which we may seek to raise funds. Any such inability to raise sufficient funds could have a material adverse effect on our business and results of operations.

5. *We are involved in high volume – low margin business. Any disruption in our turnover or failure to regularly grow the same may have a material adverse effect on our business, results of operations and financial condition.*

Our inability to regularly grow our turnover and effectively execute our key business processes could lead to lower profitability and hence adversely affect our operating results and financial conditions. Due to the nature and varied categories of the products we sell, we may not be able to charge higher margins for our products. Hence, our business model is heavily reliant on our ability to effectively increase sale of value business products and / or grow

our turnover and manage our key processes including but not limited to order procurement, timely order execution, effectively delivery monitoring and continuous cost control of non-core activities. The table below gives details of our operating margins and net profit margin based on restated financials.

(₹ in lakhs)

Particulars	Period ended September 30, 2018	Year ended March 31, 2018	Year ended March 31, 2017
Total Income	53,919.11	71,484.40	57,708.90
PAT as a % of Total Income	2.59%	5.88%	3.98%

Our growth strategy is subject to and involves risks and difficulties, many of which are beyond our control and, accordingly, there can be no assurance that we will be able to implement our strategy or growth plans, or complete them within the timelines. Further, we operate in a dynamic industry, and on account of changes in market conditions, industry dynamics or changes and any other relevant factors, our growth strategy and plans may undergo changes or modifications, and such changes or modifications may be substantial, and may even include limiting or foregoing growth opportunities if the situation so demands. For further details regarding the discussions and explanations of our results, please refer “*Management’s Discussions and Analysis of Financial Condition and Results of Operations*” on page no. 172 of this Draft Red Herring Prospectus.

6. We are bound by the terms of agreement or contract for supply of majority of our distribution and trading products due to which we may face limitations in supply from our current suppliers / vendors including pricing limitations and renewal terms

We are a multi product distribution and marketing Company and we enter into various distribution agreements with brands across many product verticals. Some of our major agreements with brands or distributor/licencee of such brands include Nippo Batteries, Nippo Torches, Nippo LED lamps, Fila Footwear & Accessories, Tommy Hilfiger, Paris Hilton, Delsey Luggage, Sugarush, Vertical, Sprandi Shoes, Skechers Shoes, Puma Shoes, Nike Shoes, EGoss Shoes, Ritika Pvt Ltd (Ritu Kumar), AMPM Fashions, Envirofit Stoves, Puma, Myriad Activewear, Rina Dhaka Fashion, JJ Valaya, Nidhi Munim, to name a few. Accordingly, we are bound by the terms of the agreement in relation to supply of their products, selling targets, pricing and inventory management.

National and multinational brands are very particular about their pricing and generally specify the pricing terms in their agreements. These pricings are based on the vendors’ / manufacturers’ brand perception and may or may not be realisable in the market. This may lead to lower sales of that particular brand / product eventually resulting in higher inventory and dead stock. Also, the terms of the agreement specify other parameters of trade like quantity, delivery terms, payment terms, all of which could affect our business process and in turn render us unable to dictate terms with our customers.

Furthermore, many of our vendors may not be proactive in renewing their agreements. Majority of our agreements are for a period ranging from 1 year to 3 years. Though we continue to undertake business transaction with them on oral basis, even after expiry of the original agreement, we cannot guarantee that we will be able to enforce the terms of business in case of old agreement. There can be no assurance that there will not be a significant disruption in the supply of the particular product / brand from such sources or, in the event of a disruption, that we would be able to locate alternative brand / suppliers of such brand on terms acceptable to us, or at all. Identifying and negotiating with a new brand / product involves a process that requires us to become satisfied with their market demand, quality control, responsiveness and service and financial stability. Non-availability or disruption in supply of any product / brand may result in reducing our revenues by a considerable amount.

7. We have un-paid Income Tax dues aggregating to ₹ 348.09 lakhs, some of which were provided by us over our previous financial years and which are undisputed as on date. Out of the above, certain outstanding are un-paid due to certain unforeseen cash flow issues and the Company is confident of making the payment of the same as soon as possible, while certain outstanding are in our opinion erroneous. However, no assurance can be given that we will be able to complete the payment as planned or that any rectification request will be granted in our favour and hence any prosecution or legal action by the Income Tax department for the same can adversely affect our daily operations, financial results and liquidity conditions.

We have not paid Income Tax dues aggregating to ₹ 348.09 lakhs including interest and penalty as applicable according to the I.T. Rules, some of which were provided by us for the Assessment Years 2007-08 till 2017-18 and which are undisputed as on date. Due to certain cash flow issues in recent times, some of the agreed outstanding could not be paid and the management is confident that the same will be paid as soon as possible. Our Company has even paid a sum of ₹ 410.09 lakhs towards the outstanding for the A. Y. 2017-18. The said payment has not yet

been taken cognisance and hence the outstanding showing on the Income tax website is higher. Any in-action on the above from our part could result in increased penalty or penal action and the same could adversely affect our business operations and reputation. Further, our Company had a survey by the Income Tax department on February 07, 2019. The survey party confirmed that only a total cash of ₹ 1.35 lakhs was found on the premises and nothing material was noted by them.

Further, we believe that certain outstanding amounts are erroneous and we intend to apply for rectification of the same with the Income Tax department. However, no such request / application have yet been submitted to the Income Tax department. No assurance can be given that we will be able to successfully pay the agreed outstanding amounts and that the contended amounts will be rectified in our favour and hence any prosecution or legal action by the Income Tax department for the same can adversely affect our daily operations, financial results, liquidity condition as well as our goodwill in the market.

8. *Our Company has not entered into any long-term contracts with most of its customers and we typically operate on the basis of orders. Inability to maintain regular order flow would adversely impact our revenues and profitability*

Our Company has had long standing business relationships with certain customers and has been supplying our products to such customers for several years and a substantial number of our customers are local traders, stockists and retailers. However, we have not entered into any contracts with these customers and we cater to them on an order-by-order basis. As a result, our customers can terminate their relationships with us without any notice and, without consequence, which could materially and adversely impact our business. Consequently, our revenue may be subject to variability because of fluctuations in demand for our products. Our Company's customers have no obligation to place order with us and may either cancel, reduce or delay orders. The orders placed by our Company's customers are dependent on factors such as the customer satisfaction with the level of service that our Company provides, fluctuation in demand for our Company's products and customer's inventory management.

Although we place a strong emphasis on quality, pricing and timely delivery of our products and after sales service such as feedback on the trends in their market, personal interaction by the top management with the customers, etc., in the absence of contracts, any sudden change in the buying pattern of buyers could adversely affect the business and the profitability of our Company.

9. *Substantial portion of our revenues has been dependent upon our few customers. The loss of any one or more of our major clients would have a material adverse effect on our business operations and profitability.*

We are a product marketing Company dealing in multiple products and brands. We sell our products to small traders & stockists in specific regions who in turn sell the same to local retailers and shops. Further, each region has a few traders or stockists who purchase the products from us. In our B2B business, we act as an intermediary where we buy various products in bulk quantities and sell to stockists or traders with lower working capital liquidity. Considering the credit risk involved in our business operations, we prefer to deal with customers who are from a known circle in the related industry. This provides us a trust factor and in turn mitigates the credit risk considerably. Further, though our online sales are to a large number of individual customers, our invoicing data is consolidated by us and represents the online portal, thus showing all individual sales under a single head of that respective e-commerce company. Due to the above factors, the percentage of sales to such approved & accounted customers is significantly higher. For the six month period ended September 30, 2018 and for the year ended March 31, 2018, our top ten (10) clients accounted for approximately 73.07% and 80.03%, respectively of our total revenues. The loss of a significant customer would have a material adverse effect on our financial results. A substantial number of our customers are part of the unorganised industry and we cannot assure you that we can maintain our current levels of business from these customers or that we will be able to replace these customers in case we lose any of them. Also, any attempt to lower our dependence on our top customers, might expose us to credit risks and also affect our logistical set-up that we have with the existing customers. Furthermore, major events affecting our customers, such as bankruptcy, change of management, change in their country's policy and business framework, mergers and acquisitions, etc. could adversely impact our business. If any of our major customers becomes bankrupt or insolvent, we may lose some or all of our business from that customer and our receivable from that customer would increase and may have to be written off, adversely impacting our income and financial condition.

- 10. *Our Company has availed unsecured loan from our Promoter and Promoter Group which is repayable on demand. Any demand from the lender for repayment of such unsecured loan may affect our cash flow and financial condition.***

Our Company, as per the restated audited financial statement as on September 30, 2018 has availed total sum of ₹ 6,404.55 lakhs as unsecured loan which may be recalled at any time. Sudden recall may disrupt our operations and also may force us to opt for funding at higher interest rates, resulting in higher financial burden. Further, we will not be able to raise funds at short notice and thus result in shortage of working capital fund. For further details, please refer to the section “Unsecured Loans” under “*Financial Statements*” beginning on page no. 149 of this Draft Red Herring Prospectus. Any demand for the repayment of such unsecured loan, may adversely affect our cash flow and financial condition.

- 11. *Termination or non-renewal of Distribution Agreements or any material modification to the existing terms under such agreements adverse to our interest will materially and adversely affect our ability to continue our business and operations and our future financial performance.***

Our Company is engaged in the business of distribution and trading of a variety of products ranging from consumer digital electronics, apparels, garments, fabrics and textiles / fashion & lifestyle, batteries & torches, white goods, office electronics, household items and agro & other commodities. Our Company has partnered with various brands of certain of the above products categories for distribution of their products in India. Pursuant to our distribution arrangements, we have been granted the right to market and sell their products via distribution model for various licensed territories as mentioned in separate agreements entered. The Distribution Agreements with various partners may be renewed, at the discretion of partners, for successive terms as mentioned in respective agreements.

Under the Agreements entered, the partners are entitled to unilaterally terminate such agreements by providing written notice. Additionally, under certain of the Agreements, certain of the partners also have the right to unilaterally terminate such agreements with immediate effect. In the event that our partners exercises their right to terminate these agreements whether on the occurrence of any such aforesaid events or otherwise, or, on expiry of the term of such agreements, or in the event the partners are unwilling to renew such agreements or imposes terms less favourable to us than existing terms, it may materially and adversely affect our ability to carry on our business operations and our future financial performance.

Many of the local brands we partner with may not renew our agreement after the expiry period but continue the licensed business for the pre-decided territories on oral basis. Though we continue our business transactions on the basis of cordial relations, we cannot assure that they will not abruptly cease our supply and / or they will not engage other distributors who offer them better terms. Also, such vendors may claim penalty for non-renewal and revised terms at a later date which may hamper our relations with such vendors and also affect our business operations and financial performance.

In addition, our agreements may be on a non-exclusive basis and the partners are entitled to undertake the production, distribution or sale of the products and brand either themselves or appoint other third party franchisees for these territories and sub-territories licensed to us. Although our partners have in the past renewed such agreements in our favour, and also granted distribution for additional territories and sub territories to us, there can be no assurance that in the future the partners will not terminate or discontinue our arrangements for cause, including any failure by us to meet performance standards or any breach by us of applicable terms and conditions under such agreements, or without cause, and undertake distribution activities directly or through other franchises in our licensed territories and sub territories.

- 12. *We are dependent on third party transportation providers for the delivery of majority of our products from our suppliers and also to our customers. Accordingly, continuing increases in transportation costs or unavailability of transportation services for our products, as well the extent and reliability of Indian infrastructure may have an adverse effect on our business, financial condition, results of operations and prospects***

As a Company engaged in the trading and distribution multiple product verticals, transportation is one of the most important components of our business. Though we own some vehicles in certain locations for transport of goods, we rely substantially on third party transportation providers for the supply of many of our traded goods from our vendors and for delivery of our products to our customers. Transportation strikes could have an adverse effect on our receipt of raw materials and our ability to deliver our products to our customers. Non-availability of ships, barges, trucks and railway cars could also adversely affect our receipt and delivery of our traded products / brands.

In addition, transportation costs in India have been steadily increasing over the past several years. While usually the end consumer bears the freight cost, we may not always be able to pass on these costs to our customers. Continuing increases in transportation costs or unavailability of transportation services for our products may have an adverse effect on our business, financial condition, results of operations and prospects.

In addition, India's physical infrastructure is less developed than that of many developed nations, and problems with its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity, including supply from our vendors and delivery of our products to customers by third-party transportation providers. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our business operations, which could have a material adverse effect on our results of operations and financial condition.

13. The properties used by the Company for the purposes of its operations are not owned by us. Any termination of the relevant lease or leave and license agreements in connection with such properties or our failure to renew the same could adversely affect our operations.

The properties used by us for our business purposes are not owned by us, including our registered office located at 403-405, Sumer Kendra Co-Op Society Ltd., 4th Floor, Behind Mahindra Tower, Pandurang Budhkar Marg, Worli, Mumbai – 400 018. Further, we have presence in 16 States with 24 offices and / or godowns (including our registered office) none of which are owned by us. Out of the 24 locations, we have entered into rental agreement with various third parties for 20 locations, which all have been acquired by us on a short to medium term rental basis. Periodic renewals of leases may increase our costs, since they are subject to rent escalation. Any termination of the lease and/or rental deed and leave and license agreements in connection with such properties which are not owned by us or our failure to renew the same, and upon favourable conditions, in a timely manner or at all could adversely affect our operations. For details regarding properties taken on lease and leave and license refer the Section titled “*Properties - Our Business*” beginning on page no. 114 of this Draft Red Herring Prospectus.

Further 4 locations, including our registered office, two offices in Ahmedabad and one office in Jaipur are owned by one of our Promoter Group entity, M/s. Associated Electricals Agency (AEA) and we do not have any formal lease / rent agreement with the said entity for the said properties. However, AEA has issued a NoC for use of each of the said premises as our office for no consideration. In case, AEA decided to withdraw such NoC, we may have to re-locate our office in all the above locations and incur additional expenditure for the same. We cannot guarantee that we will be able to identify a suitable locations in all these cities or at conditions favourable to us or at all, which may adversely affect our business operations and financial condition.

14. If we are unable to manage our growth effectively or if our estimates or assumptions used in developing our strategic plan are inaccurate or we are unable to execute our strategic plan effectively, our business and prospects may be materially and adversely affected.

Our revenue and our business operations have grown in recent years. Although we plan to continue to expand our scale of operations, we may not be able to sustain these rates of growth in future periods due to a number of factors, including, among others, our execution capability, our ability to retain, maintain & enter into new distribution agreement, our ability to maintain customer satisfaction, our ability to mobilise sufficient working capital, macroeconomic factors beyond our control such as decline in global economic conditions, availability of cheaper imported / domestic products / brands, competition within each product category from players in the organized and unorganized segments, the greater difficulty of growing at sustained rates from a larger revenue base, our inability to control our expenses and the availability of resources for our growth. There can be no assurance that we will not suffer from capital constraints, operational difficulties or difficulties in expanding existing business operations.

Our development and expansion strategies will require substantial managerial efforts and skills and the incurrence of additional expenditures and may subject us to new or increased risks. We may not be able to efficiently or effectively implement our growth strategies or manage the growth of our operations, and any failure to do so may limit future growth and have an adverse effect on our business. For e.g. our strategy to concentrate on value business products and reduce our volume business product sale is dependent on our ability to shift our focus from volume business products to value business. Products which fall in the volume business verticals are typically fast moving high volume products like Batteries, agro & other commodities, mobile & computer accessories, etc. and are generally low margin generating sales. Products which fall in value business segment, are typically high end, high value products like white goods, cameras, mobiles, household items, etc. and are typically high margin sales.

Our strategy to augment our profit margins may not materialise in the manner we intend to, resulting in lower margins. Continued lower margins may affect our future growth and financial performance.

Further, if the estimates or assumptions used in developing our strategic plan vary significantly from actual conditions, our sales, margins and profitability could be impacted. For instance, sales of certain category of products / brands may not grow as quickly as we currently expect, and we may be incorrect in our assumptions and expectations of consumer preferences during our purchasing or entering into agreements with new products / brands. Also, the fund requirement and deployment for our strategies are based purely on management estimates and assumptions considering the current market scenario and are subject to revision in the light of changes in external circumstances or costs. If we are unsuccessful in executing our strategic plan, or if the underlying estimates or assumptions used to develop our strategic plan are materially inaccurate, our business and financial condition would have an adverse impact.

15. *Our Company depends on timely identification of evolving fashion trends and creating new designs. Any lag on the part of our Company in this regard may adversely affect our business operations.*

Our continued success depends in part on our ability to identify a good brand for each product category that we deal in, as well as to anticipate and respond to changing consumer preferences and trends in a timely manner. Our products must appeal to a consumer base whose preferences cannot be predicted with certainty and are subject to increasingly rapid change. In order to be in line with this success factor, our sales and marketing team are responsible for evaluating the latest buying patterns and changes in brand awareness as per customer's needs. Although we attempt to stay abreast of emerging lifestyle and consumer trends affecting our products / brands, any failure to identify and respond to such trends could have significant adverse effects on our business, financial condition and results of operations. Our success depends on achieving a favourable and timely market response. Our inability to tap the changing fashion and brand perception can lead to rejection and obsolescence of our products, especially the ones have a short self-life, thus damaging goodwill, business operations and financial conditions. No assurance can be given that our future collections will generate the same successful levels of market response as our past collections have, or achieve sales levels sufficient to generate profits.

16. *We are subject to the risk in decline of our inventory value, and protective terms under our vendor agreements may not adequately cover the decline in value, which in turn may affect our business, results of operation and financial condition*

We are a multi-product marketing company engaged in trading and distribution of a variety of products like consumer digital electronics, apparels, garments, fabrics and textiles / fashion & lifestyle, batteries & torches, white goods, office electronics, household items and agro & other commodities. A majority of products under these categories are subject to changes in fashion, trend, technology, perishability, usability, enhanced product specification requirements, and evolving industry standards. These changes may cause inventory on hand to decline substantially in value or to rapidly become obsolete. We may not be able to sell such an inventory at the intended price or at all, leading to sunk costs, inventory carrying costs and lower revenue generation, all of which could result in an adverse effect on our financial condition.

Although, a majority of vendor agreements for different products / brands offer protection from the loss in value of inventory, these protection clauses are limited in terms of time elapsed, amount of inventory involved and / or the quantity of inventory. The decrease or elimination of price protection could result in inventory write-downs which would affect our business, results of operation and financial condition. We may additionally incur litigation expenses in case of escalation, which may or may not be in our favour.

17. *Some of our corporate records including forms filed with the Registrar of Companies are not traceable.*

Our Company was incorporated as a private limited company in the year 1985 under the provisions of the Companies Act, 1956. Online filing of RoC documents was initiated in the year 2006 and all forms prior to the said year were physically filed, hence certain forms pertaining to the initial years of the Company could not be retrieved from the office of Registrar of Companies, Mumbai. Further, the Company could not retrieve forms including but not limited to Return of Allotment, Appointment of Director and Increase in Authorised Capital which belong to the period ranging from the year 1989 to the year 1992. Our Company cannot assure you that the filings were made in a timely manner or the information gathered through other available documents of the Company are correct. Our Company may not be in a position to attend and / or respond appropriately to any legal or business matter due to lack of lost / destroyed records and to that extent the same could affect our Company adversely.

18. *Our success depends heavily upon our Promoter and Senior Management for their continuing services, strategic guidance and financial support.*

Our success depends heavily upon the continuing services of Mr. Kunal Jiwarajka, who is the natural person in control of our Company. Mr. Kunal Jiwarajka also currently serves as our Managing Director and his experience and vision has played a key role in obtaining our current market position. Mrs. Laxmidevi Jiwarajka, as our Non-Executive Director has also played a pivotal role with her experienced inputs and guidance through the years. We believe that our relation with our Promoter, who has rich experience in setting up business, developing markets, managing customers and handling overall businesses, has enabled us to experience growth and profitability. We benefit from our relationship with our Promoter and our success depends upon the continuing services of our Promoter who has been responsible for the growth of our business and is closely involved in the overall strategy, direction and management of our business. Further, our Promoter has also promoted other companies / firms / ventures and may continue to do so. If he diverts his attention to the other companies, we may not be able to function as efficiently and profitably as before. We may have to incur additional costs to replace the services of our Promoter or we may not be able to do so at all, which could adversely affect our business operations and affect our ability to continue to manage and expand our business.

Further, we also depend significantly on our senior management for executing their day to day activities. If our Promoter / Directors or any member of the senior management team is unable or unwilling to continue in his present position, we may not be able to replace him easily or at all, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

In addition, we depend on our Directors / Promoter in procuring certain bank loans and for the extension of unsecured loans and advances from time to time. We rely on our Directors and Promoter, in relation to our bank loans for which they have granted certain security and personal guarantees. For details, see “Annexure XXV – Related Party Transactions” and chapter titled “Financial Indebtedness” on page nos. 168 and 185 respectively of this Draft Red Herring Prospectus. We cannot assure you that any future financing we obtain without guarantees from our Directors / Promoter or from unrelated third-parties will be on terms which are equal to or more favourable than the terms of our past financings.

19. *We are dependent on third party transportation providers for the delivery of majority of our products from our suppliers and also to our customers. Accordingly, continuing increases in transportation costs or unavailability of transportation services for our products, as well the extent and reliability of Indian infrastructure may have an adverse effect on our business, financial condition, results of operations and prospects*

As a Company engaged in the trading and distribution multiple product verticals, transportation is one of the most important components of our business. Though we own some vehicles in certain locations for transport of goods, we rely substantially on third party transportation providers for the supply of many of our traded goods from our vendors and for delivery of our products to our customers. Transportation strikes could have an adverse effect on our receipt of raw materials and our ability to deliver our products to our customers. Non-availability of ships, barges, trucks and railway cars could also adversely affect our receipt and delivery of our traded products / brands. In addition, transportation costs in India have been steadily increasing over the past several years. While usually the end consumer bears the freight cost, we may not always be able to pass on these costs to our customers. Continuing increases in transportation costs or unavailability of transportation services for our products may have an adverse effect on our business, financial condition, results of operations and prospects.

In addition, India’s physical infrastructure is less developed than that of many developed nations, and problems with its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity, including supply from our vendors and delivery of our products to customers by third-party transportation providers. Any deterioration of India’s physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our business operations, which could have a material adverse effect on our results of operations and financial condition.

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

Some of our Directors (including our Promoter) and Key Management Personnel may be interested in our Company to the extent of their shareholding and dividend entitlement in our Company, in addition to normal

remuneration, incentives or benefits and reimbursement of expenses. We cannot assure you that our Directors or our Key Management Personnel would always exercise their rights as Shareholders to the benefit and best interest of our Company. As a result, Promoter & our Directors will continue to exercise significant control over our Company, including being able to control the composition of our board of directors and determine decisions requiring simple or special majority voting, and our other Shareholders may be unable to affect the outcome of such voting. Our Promoter and Directors may take or block actions with respect to our business, which may conflict with our best interests or the interests of other minority Shareholders, such as actions with respect to future capital raising or acquisitions. We cannot assure you that our Promoter and Directors will always act to resolve any conflicts of interest in our favour, thereby adversely affecting our business and results of operations and prospects. For further details of our transactions or interests of our promoter / promoter group, please refer the chapters titled “*Our Business*” and “*Our Promoters, Promoter Group*” and “*Our Group Companies*”, “*Related Party Transactions*” and “*Financial Information*” beginning on page nos. 99, 141, 145, 168 and 149 respectively, of this Draft Red Herring Prospectus.

21. *Our funding requirements and deployment of the issue proceeds are based on management estimates and have not been independently appraised by any bank or financial institution and is not subject to any monitoring by any independent agency and our Company’s management will have flexibility in utilizing the Proceeds from the Issue.*

Our Company intends to primarily use the Net Proceeds from the Issue towards working capital as described in “*Objects of the Issue*” on page no. 67 of this Draft Red Herring Prospectus. The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan, management estimates and have not been appraised by any bank, financial institution or any other external agency. Also, in terms of Regulation 262 of the SEBI (ICDR) Regulations, we are not required to appoint a monitoring agency since the Fresh Issue size is not in excess of ₹ 100 crores. The management of our Company will have discretion to use the Net Proceeds from the Issue, and investors will be relying on the judgment of our Company’s management regarding the application of the Net Proceeds from the Issue.

Given the dynamic nature of our business, we may have to revise our business plan from time to time and consequently our funding requirements and deployment on account of variety of factors such as our financial condition, business and strategy, including external factors such as market conditions, competitive environment, costs of commodities and interest/ exchange rate fluctuations which may not be within the control of our management. The deployment of the funds towards the objects of the Issue is entirely at the discretion of the Board and our Board will monitor the utilisation of Net Proceeds through its Audit Committee. Our Company will disclose the utilisation of the Net Proceeds under a separate head along with details in its balance sheet until the Net Proceeds remain unutilised, clearly specifying the purpose for which the Net Proceeds have been utilised. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our operational and financial performance. Additionally, various risks and uncertainties, including those set forth in this section “*Risk Factors*”, may limit or delay our Company’s efforts to use the Net Proceeds from the Issue to achieve profitable growth in its business.

Further, pursuant to Section 27 of the Companies Act 2013, any variation in the objects would require a special resolution of the Shareholders and would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to change the Objects of the Issue, at a price and manner as specified in the SEBI ICDR Regulations. Additionally, the requirement on Promoter or controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoter or controlling shareholders from agreeing to the variation of the proposed utilisation of our Net Proceeds, even if such variation is in our interest. Further, we cannot assure you that our Promoter or the controlling shareholders will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price which may be prescribed by SEBI.

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

22. *We have recently incorporated a Company in Dubai as our wholly owned subsidiary. However, we do not have any prior experience in successfully operating an international subsidiary and the same may not provide us the desired business leverage which would in turn affect our operations and financial conditions.*

Our Company is predominantly a trading & distribution Company predominantly based in India. We currently do not have any exports and we continue to evaluate options for building our business sources in international markets. With this aim, we have recently incorporated a subsidiary in Dubai under the name of Promotial Trading International DMCC (PTID), which is our wholly owned subsidiary. PTID has been set-up for the business of trading of various products like Textile; Shoes; Grains, Cereals & Legumes; Basic Non Ferrous Metal Products; Mobile Phones & Accessories and Dairy Products. We believe that a wholly owned subsidiary in Dubai would be beneficial in liaising with various suppliers and customers and also aid us in building relations, not only in the Middle East but also in other Asian and European countries. However, we do not have any experience in successfully implementing an international subsidiary and we have in the past failed to implement a similar strategy. If we are not able to successfully operate this subsidiary, it may lead to sunk investment including various expenses incurred for incorporating the same. Successfully establishing and running an international subsidiary will require us to:

- Adequately analyze key risks and other metrics prior to incorporating the wholly owned subsidiary or commencing operations therein;
- Develop a well trained operations team with relevant systems and processes to handle the unit;
- React effectively to any local Government regulation which prohibits import, export or trade or other such externality which would be having a major impact on our operations;
- Comply with various regulations existing in the region / country pertaining to various regulatory authorities;

Hence, the inability to run successful operations in this new wholly owned subsidiary could adversely affect our ability to achieve our sales and key execution targets and hence adversely impact our future consolidated and standalone results of operations and financial conditions.

23. *We sell our products in competitive markets and our inability to compete effectively may lead to lower market share or reduced operating margins, and adversely affect our results of operations.*

The distribution & trading industry is highly competitive, coupled with the large number of players and also the existence of unorganised players. Also, several national and international manufacturers and brand owners have set-up their own distribution arms in India. With the high level of competition, our results of operations are sensitive to, and may be materially and adversely affected by, competitive pricing, services offered, brand recognition and other factors. Competition may result in pricing pressure, reduced profit margin or a failure to increase our market share, any of which could substantially harm our business and results of our operations.

We compete directly against national and local distributors of a variety of products, who are traders with substantial market share as well as established vendors with a substantial stockist network as well as retailers and regional competitors in each of the region of our trade. Many of our competitors are established companies with strong brand recognition and a high number of product distribution agreements. However, the trading and distribution industry is fragmented in various regions of the country are still dominated by unorganized and local traders and stockists. We compete primarily on the basis of timely delivery, quality, quick financing and overall customer relationship. In order to compete effectively, we must continue to maintain and develop our business model and reputation, enter into product marketing agreement with renowned brands and be flexible and innovative in responding to rapidly changing market demands and customer preferences and offer customers a wide variety of good quality products at competitive prices.

Many of our competitors have significant competitive advantages, including longer operating histories, larger and broader customer base, more established relationships with a broader set of brand agreements and greater financial, research and development, marketing, distribution budgets and other resources than we do. The number of our direct competitors and the intensity of competition may increase as we expand into other product lines or as other companies expand into other product lines. Our competitors may enter into business combinations or alliances. Our competitors may also be able to respond more quickly and effectively than we do to new or changing opportunities, technologies, trends or customer preferences, which could result in a decline in our revenues. There can be no assurance that we can effectively compete with our competitors in the future, and any such failure to compete effectively may have a material adverse effect on our business, financial condition and results of operations.

24. We constantly face a credit risk which may in turn affect our complete buying cycle adversely.

As a trading and distribution Company, our primary competence is the ability to market various categories of products in bulk quantities across Pan India and hence exploit the benefits of variety, economies of scale and credit shortage in the market. Our requirement of working capital is high mainly due to our ability to outright purchase and deliver huge amount of goods, thus relieving the vendor / manufacturer of its cost and storage issue. This stock is then sold by us to a large number of small traders and stockists in various regions in India according to their demand and consequent orders places with us. In order to maintain trading relations and manage competition, we provide medium-term to long-term credit facilities to these customers. Our Debtors turnover period is an average 90-120 days, depending on our relation with that customer. On the other hand, our suppliers are paid in a very short time period and hence the average creditor turnover period is an average of 25-35 days, depending on our trade relations and quantity of the order, thus leading to a high working capital gap.

Our aforementioned buying cycle is heavily dependent on timely payments being received from our customers who are situated in different parts of the country. If there is a default in payment from any of our customer or there is any unforeseeable delay in payment, our working capital cycle will be adversely affected. This may lead to our inability to extend further advance payments to our suppliers and thus lack the competitive advantage against our competitors leading to an adverse effect on our business operations and profitability.

25. Changes in pricing policy of various brands and products by the original manufacturer may affect the pricing for the goods acquired by us for distribution as we may not be able to always absorb the same.

We enter into distribution agreements with various brands and sell them through different e-commerce platforms and through the offline network of traders and stockists. These brand agreements have a specific pricing clause and our Company is required to price the goods to our customers in accordance with the set terms. However, the original manufacturers and / or vendors may change the pricing of their products due to conditions inherent to their operations, which may affect our ability to sell the goods. If the price is lowered by the original manufacturers / vendors, we may have to lower the price too, thus affecting our profitability and financial results. Further, we are not able to lower the price simultaneously; our customers may opt for our competitors who were able to absorb the price reduction. This may affect not only our current transaction, but also our future relation with these customers, as they may prefer our competitors for all their future trades. Losing our customers could adversely affect our business operations and financial condition.

Further, in case of a price hike by the original manufacturers / vendors, we may not be able to successfully replicate the said hike, due various reasons like earlier commitments given to our customers, deals signed before the price hike information was received and / or to stay ahead in the competitive market scenario. In any of the above cases, we stand to lose the opportunity to improve our margins and our profitability. Also, the original manufacturers / vendors may object to our selling the product at a lower cost, thus affecting their brand image. The vendors may terminate our supply agreement or may not be willing to renew the same upon expiration, both of which will adversely affect our ability to maintain the supply and also lose the brand as part of our product. If any of the above were to occur, it may affect our liquidity and our ability to finance planned product and geographical expansion and our business operations and financial condition will be negatively affected.

26. Our Company has reported certain negative cash flows from its operating activity and investing activity, details of which are given below. Sustained negative cash flow could impact our growth and business

Our Company had reported certain negative cash flows from our operating activities and investing activities in the current and previous year as per the restated financial statements and the same are summarised as under:

(₹ in lakhs)

Particulars	For the period ended Sept 30, 2018	For the year ended		
		2018	2017	2016
Cash flow from Operating Activities	(2,399.74)	(5,594.00)	(8,607.06)	484.22
Cash flow from Investing Activities	(449.78)	(280.54)	(79.06)	7.58
Cash flow from Financing Activities	2,814.75	4,452.79	9,501.55	(215.57)

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external

resources. If our Company is not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

27. *Our Company has entered into certain related party transactions and may continue to do so in the future.*

Our Company has entered into related party transactions with our Promoter aggregating ₹ 28,045.86 lakhs for the period ended September 30, 2018. While our Company believes that all such transactions have been conducted on the arms length basis, there can be no assurance that it could not have been achieved on more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that our Company will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details, please refer to “Annexure XXV - Related Party Transactions” under section titled “Financial Statements” on page no. 168 of this Draft Red Herring Prospectus.

28. *We do not have any agreement with the third party manufacturers to whom we outsource the manufacture of our ‘Tigon’ brand shoes; consequently we are exposed to quality risk and price & supply fluctuations for the same.*

Our Company currently sells shoes under our brand name ‘Tigon’, mainly through online shopping portals. We rely on local third party manufacturers for outsourcing the manufacture of shoes with our brand name, ‘Tigon’. We outsource work to them on invoice basis and have no agreements with them. Further, we cannot assure you that our third party manufacturers will continue to be associated with us on reasonable terms, or at all. Since such third party manufacturers are not contractually bound to deal with us exclusively, we may face the risk of our competitors offering better terms to such third party manufacturers, which may cause them to cater to our competitors alongside, or even instead of us. Also, in the absence of any contract, they may discontinue their job-work on a short notice and our production process may be stalled or hindered due to this. We may have to rely on in-experienced or costlier or unprofessional processing units which may compromise the quality of our finished products. Consequently, we may be exposed to price and supply fluctuations in these areas which may have a material effect on our business, results of operations and financials. In case of we are unable to continue the manufacture the shoes under our brand from any third party manufacturer, we may have to cease the sale of our brand shoes thus affecting our reputation and financial condition.

29. *We are dependent on certain brands for promotion of our products. An inability by the brand owners to adequately promote its brands and / or adequately protect its trademarks and brands may result in loss of goodwill and business and adversely affect our business prospects, results of operations and financial condition.*

Our Company is engaged in the business of distribution many national and multinational brands of a variety of products like consumer digital electronics, apparels, garments, fabrics and textiles / fashion & lifestyle, batteries & torches and household items and have entered into distribution agreements with certain brands of such products for distribution of the said products. We are dependent on these brands for promotion of our products. The owner of the brands is primarily responsible for consumer marketing and brand promotion. Currently while we make only a minor contribution to the brand marketing costs, we could be asked in future by these brand owners to share such expenses. We are under no obligation to make such contribution or maintain funding levels in future, and our ability to expand our product range would depend on product expansion strategy carried out by the brand owners. A decrease in marketing efforts and expenditure by brand owners, in contribution to its marketing plan or in its commitment to the development and introduction of new products may adversely affect our business prospects, results of operations and financial condition.

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

We may encounter problems in executing the orders in relation to our traded products, or executing it on a timely basis. Moreover, factors beyond our control or the control of our customers, including delays or failure to obtain necessary permits, authorizations, permissions and other types of difficulties or obstructions, may result in the postponement of the delivery of products or cause its cancellation. Further, even though we may finalise the deal order with our customers, the order could be cancelled or there could be changes in scope and / or scheduled delivery of the products. Accordingly, it is difficult to predict with certainty if, when, and to what extent the delivery of the orders placed will be made. Failure to deliver products on time could lead to customers delaying or refusing to pay the amount, in part or full, which may adversely affect our business.

In addition, even where a delivery proceeds as scheduled, it is possible that the contracting parties may default or otherwise fail to pay amounts owed. While we have not yet experienced any material delay, reduction in scope, cancellation, execution difficulty, delay or default in payment with regard to the orders placed with us, or any material disputes with customers in respect of any of the foregoing, any such adverse event in the future could materially harm our cash flow position and income. Any delay, modification, cancellation of order by our large customers may have material adverse effect on our financial condition and results of operations.

- 31. *We have availed of certain loans from Banks, pursuant to the Financing Agreements that we have entered into with them. Pursuant to the terms of such agreements, we require consents from the respective Bankers for a number of corporate actions, including for undertaking this Issue, which have not been obtained as on date. Any failure to obtain such consents may result in a default under the terms of the Financing Agreements.***

Pursuant to the Financing Agreements entered into by us with the Bankers, we are required to obtain consents from the respective Bankers to undertake certain actions, including this Issue and for completion of the requirements pertaining to this Issue. Though, we have informed our bankers orally of our intention to undertake this Issue, we have not obtained consents from these bankers and the same are awaited.

While our Company intends to obtain all the necessary consents in relation to this Issue from our bankers prior to the filing of the Red Herring Prospectus with the RoC, undertaking this Issue without obtaining these consents, or in contravention of any conditions contained in such contents, may constitute a breach of the Financing Agreements. Any default under the Financing Agreements may enable our bankers to cancel any outstanding commitments, accelerate the repayment and enforce their security interests. If our obligations under the Financing Agreements are accelerated, our financial condition and operations could materially and adversely be affected.

- 32. *Our business is dependent on our registered office and network offices / godowns across India. The loss or shutdown of any of our offices / godowns could have a material adverse effect on our business, financial condition and results of operations.***

Our Registered Office is situated Worli, Mumbai and we also operate 23 other locations across the country covering 16 States. All these locations are subject to operating risks, such as shutdowns due to the wear and tear or failure of computer equipments, power supply or other basic amenities, employee disputes, strikes, lockouts, accidents, disruption by extremist groups, or any other reason, and the need to comply with the directives and regulations of the Government of India (“GoI”) and relevant State government authorities. We are heavily reliant on our employees at each locational office / godown, including our field marketing staffs that are responsible for meeting and acquiring customers and maintaining trade relations with them. Our inability to continue to procure such services in any location or any disputes with this group of employee would severely affect our overall operations and may cause a loss of business in such location or a total loss of market share in the entire region.

Our operations involve a significant degree of integration, and our results of operations are dependent on the successful operation of each of the network office / godown. Although we take precautions to minimize the risk of any significant operational problems at our offices / godowns, our business, financial condition, results of operations and prospects may be adversely affected by any disruption of operations at our offices / godowns.

- 33. *Our success largely depends on our ability to attract and retain our Key Managerial Personnel. Any loss of our Key Managerial Personnel could adversely affect our business, operations and financial condition***

Our Company is depending significantly on the expertise, experience and continued efforts of our Key Managerial Personnel. If one or more members of our Key Managerial Personnel are unable or unwilling to continue in his/her present position, it may be difficult to find a replacement, and business might thereby be adversely affected. Our industry requires personnel with specific skill and knowledge and experience for our trading and more particularly for our distribution vendor relations.

Competition for Key Managerial Personnel in our industry is intense and it is possible that our Company may not be able to retain existing Key Managerial Personnel or may fail to attract / retain new employees at equivalent positions in the future. As such, loss of Key Managerial Personnel could adversely affect our business, results of operations and financial condition. For further details on the Key Managerial Personnel of our Company, please refer to the chapter titled “Our Management” beginning on page no. 128 of this Draft Red Herring Prospectus.

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

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

- To make any change in the constitution/Shareholding pattern without the prior written.
- To avail any loan from any Bank or financial institution without the prior written consent.
- To create or allow to exist any encumbrance or security over assets specifically charged with the bank, without any prior written consent.
- To have any additional current accounts with other Banks, without the knowledge and written consent of the Bank;
- To declare dividends/ withdraw any amount in any form of salary/ remuneration/ incentive/ commission by the Promoter/ Directors in case of overdue with the Bank.
- To change directors/ ownership/ Promoter/ major shareholders without the written consent of the Bank.
- To divert any funds and/or launch any new scheme/business without prior permission of the Bank

Further the company has created a charge on its assets in favour of their bankers against the assets of the company. In case of default by the company in repayment of the loans, bankers may exercise their rights over the security, which may be detrimental to the interest of the company. For details, please refer "*Financial Indebtedness*" on page no. 185 of this Draft Red Herring Prospectus.

Also, we are required to obtain the required consents of the lenders before undertaking certain significant corporate actions. We cannot assure you that the lenders will grant the required approvals in a timely manner, or at all. The time required to secure consents may hinder us from taking advantage of a dynamic market environment. In addition to the restrictions listed above, we are required to maintain certain financial ratios under our financing agreements. These financial ratios and the restrictive provisions could limit our flexibility to engage in certain business transactions or activities.

Additionally, our borrowings are secured by our movable, immovable or tangible assets (whether existing or future) and by a personal guarantee of our Promoter / Promoter Group. Such securities enable the lenders to cancel any outstanding commitments, accelerate the repayment, exercise cross default provisions and enforce their security interests on the occurrence of events of default such as a breach of financial covenants, failure to obtain the proper consents, failure to perfect security as specified and such other covenants that are not cured. It is possible that we may not have sufficient funds upon such an acceleration of our financial obligations to pay the principal amount and interest in full. Further, if we are forced to issue additional equity to the lenders, your ownership interest in our Company will be diluted. It is also possible that future financing agreements may contain similar or more onerous covenants and may also result in higher interest cost.

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


35. *We are required to incur substantial expenditure for our business operations and if we are not able to manage our financial requirements in the future, we may be required to obtain additional financing which may not be on terms commercially acceptable to us.*

We are required to incur substantial expenditure for conducting our business operations primarily in relation to making advance payments to our suppliers for the bulk quantities of lubricants and various base oils imported by us for our business. Also, substantial expenditure is incurred for certain regulatory and legal fees required for the trade with customers based in various parts of the country and other day to day miscellaneous expenses. The actual amount and timing of our future capital requirements may differ from estimated requirements as a result of, amongst other things, unforeseen delays in obtaining orders, confirmation of required products and brands from our suppliers, price fluctuations in various products and brands, changes in business plans due to prevailing

economic conditions, unanticipated expenses and regulatory changes in the States of our trade. If we are not able to manage our financial requirements from our internal accruals in the future, we may be required to seek additional debt or equity financing. Additional debt financing could increase our interest costs and require us to comply with various restrictive covenants that are generally part of such financing agreements. Additional equity financing could dilute our earnings per Equity Share and your interest in the Company, and could adversely impact the price of our Equity Share.

Our ability to obtain additional financing on favourable terms, if at all, will depend on a number of factors. We cannot assure you that we will be able to raise additional financing on acceptable terms in a timely manner or at all which could adversely impact our planned capital expenditure and our business.

36. *Intellectual property rights are important to our business. Since our business is based on trust and identity and using the same for maintain, acquiring and servicing our clients, it is very important for us to ensure confidentiality of our intellectual property rights. We may be unable to protect them from being infringed by others, including our current and / or future competitors / employees.*

Our trademarks and patents are our material assets and are crucial to our business operations. As on the date of this Draft Red Herring Prospectus, we have not obtained registration for our new corporate logo “ JSK” and hence we do not enjoy the statutory protection accorded to a registered trademark. We have not made any application for the same with the Trademark Authority and there can be no assurance that if we make an application for registration, the same will succeed. Grounds for refusal of registration may include the validity or scope of the application. If we are unable to obtain a registration, we may still continue to use the above mentioned logos but remain vulnerable to infringement and passing-off by third parties and will not be able to enforce any rights against them. We may also need to change our logos which may adversely affect our reputation, existing brand market and business and could require us to incur additional costs.

Further, as on the date of this Draft Red Herring Prospectus, we own nine (9) registered trademarks and have made and application for 1 trademark, which is objected as per the provisions of the Trademarks Act, 1999. Even though we have registered the above nine (9) trademarks, third parties may infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. Our efforts to protect our intellectual property may not be adequate and any third party claim on any of our unprotected name logo may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time-consuming and costly and a favourable outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property. We cannot assure that any unauthorized use by third parties of the trademarks will not similarly cause damage to our business prospects, reputation and goodwill.

For further details, see “*Our Business — Intellectual Property*” on page no. 113 of this Draft Red Herring Prospectus.

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

Any failure or defect in our products / brands could result in a claim against us for damages, regardless of our responsibility for such a failure or defect. Although we attempt to maintain quality standards, and provide end to-end services including warranty and post-warranty service (through the brand owners) thereby giving significant value-addition to vendors and customers. For some of our vendors, in the process of providing customer support, we provide other value added services such as technical response centre, parts logistics including reverse logistics, high level repair services for cameras and other electronics, etc.

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

38. *Conflicts of interest may arise out of common business undertaken by our Company, Promoter and our Group Companies.*

Our Group Company, JSL Marketing Pvt. Ltd. is also authorized by its memorandum to carry similar activities as those conducted by our Company. Though, our Group Company has no current operations and hence does not engage in activities exactly similar to ours, however it is authorised by Memorandum of Association to carry the same business. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company, and our Group Company in circumstances where our respective interests diverge. In cases of conflict, our Promoter may favour other company in which our Promoter has interests. There can be no assurance that our Promoter or our Group Company or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition.

39. *Our Group Company(s) have incurred losses during the last three financial years*

Our Group Company has incurred losses in two out of the last three financial years, details of which are as under:

(₹ in lakhs)

Name of the Company	March 31, 2016	March 31, 2015	March 31, 2014
JSL Marketing Private Limited	(0.04)	(0.10)	0.12

40. *Our Promoter together with our Promoter Group will continue to retain majority shareholding in our Company subsequent to the Issue, which will allow them to exercise significant influence over our Company. We cannot assure you that our Promoter and/or our Promoter Group will always act in our Company's or your best interest.*

The majority of our issued and outstanding Equity Shares are currently beneficially owned by our Promoter and our Promoter Group. Upon completion of the Issue, our Promoter and Promoter Group will own 1,49,34,000 Equity Shares, or 72.71% of our post-Issue Equity Share capital. Accordingly, our Promoter and Promoter Group 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 Promoter and Promoter Group as our Company's controlling shareholders could conflict with our Company's interests or the interests of its other shareholders. We cannot assure you that the Promoter and Promoter Group will act to resolve any conflicts of interest in our Company's or the shareholders favour.

41. *Our Company might be unable to meet certain delivery obligations including timelines of delivery, due to which, it could become liable to claims by customers, suffer adverse publicity and incur substantial costs, which in turn could adversely affect our results of operations.*

Many of our orders involve providing services that are critical to the operations of our customers business. Any failure or defect in services could result in a claim against us for substantial damages, regardless of our responsibility for such a failure or defect. Our Company has commitments for safe and timely delivery of the products. Any failure to meet the scheduled timelines set by our customers or loss or damage to cargo may lead to our customers raising claims against us. Although Our Company is attempting to limit its contractual liability for all the damages, including consequential damages, while rendering the services, our Company cannot be assured that the limitations on liability it provides for, in the service contracts will be enforceable in all cases.

42. *The properties mortgaged for our consortium loan and other secured loans do not belong to us and are owned by our Promoter / Promoter Group. Further, our Promoter / Directors have extended personal guarantees in connection with our debt facilities. There can be no assurance that such properties and personal guarantees will be continued to be provided by our Promoter / Promoter Group in the future or can be called at any time, affecting our financial condition.*

Our Company has entered into a Working Capital Consortium Agreement with several banks led by Union Bank of India, and also other standalone working capital loans from banks & FIs for a total loan sanction amount of ₹ 31,100 lakhs. The said loan amount is secured by various immovable properties, none of which is owned by our

Company. These properties are owned by our Promoter and Promoter Group entities, including the current Registered Office of our Company. If our Promoter / Promoter Group withdraw, sell or dispose off, any of these properties or decide not to continue as a security for our loan due to any reason, we may require alternative properties of an equal or greater value. We cannot assure you that we will be able to acquire such a property within reasonable time and of the desired value or at all. If we are unable to arrange suitable collateral within the stipulated time, we may be required to repay a substantial portion of the loan. In order to arrange for collateral, we may have to acquire properties at commercially unviable terms or with unviable prospects, which may lead to a large capital out flow, adversely affecting our cash flow condition and financial stability.

Further, our Promoter and Promoter Group entities have provided personal / corporate guarantees for the above mentioned borrowings to secure our loans. If these personal / corporate guarantees are revoked, our lenders may require alternative guarantees or collateral or cancellation of such facilities, entailing repayment of amounts outstanding under such facilities. If we are unable to procure alternative guarantees satisfactory to our lenders, we may need to seek alternative sources of capital, which may not be available to us at commercially reasonable terms or at all, or to agree to more onerous terms under our financing agreements, which may limit our operational flexibility. Accordingly, our business, financial condition, results of operations, cash flows and prospects may be adversely affected by the revocation of all or any of the personal guarantees provided by our Promoter / Directors in connection with our Company's borrowings.

43. *Employee misconduct, errors or fraud could expose us to business risks or losses that could adversely affect our business prospects, results of operations and financial condition.*

Employee misconduct, errors or frauds could expose us to business risks or losses, including regulatory sanctions, penalties and serious harm to our reputation. Such employee misconduct includes breach in security requirements, misappropriation of funds, hiding unauthorized activities, failure to observe our stringent operational standards and processes, and improper use of confidential information. It is not always possible to detect or deter such misconduct, and the precautions we take to prevent and detect such misconduct may not be effective. In addition, losses caused on account of employee misconduct or misappropriation of petty cash expenses and advances may not be recoverable, which we may result in write-off of such amounts and thereby adversely affecting our results of operations. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions in which case, our reputation, business prospects, results of operations and financial condition could be adversely affected.

44. *Our insurance coverage may not be sufficient or may not adequately protect us against any or all hazards, which may adversely affect our business, results of operations and financial condition.*

Our business and assets could suffer damage from fire, natural calamities and the goods transported to our customers by our supplier could suffer from damage, misappropriation or other causes, resulting in losses, which may not be fully compensated by insurance. Legal proceedings or other actions may be initiated against us or any of our employees for acts and conduct of our employees which may occur due to various reasons including misconduct with customers. In the event of personal injuries, damage or other accidents suffered by our employees or our customers or other people, we could face claims alleging that we were negligent, provided inadequate supervision or be otherwise liable for the injuries. Our principal types of insurance coverage include standard fire and special perils policy, motor goods carrying vehicle policy for various locations across the Country and also a Keyman Insurance Policy.

While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our businesses, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage, or successful assertion of one or more large claims against us for events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance which exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected. For further details on our insurance arrangements, see "*Insurance – Our Business*" on page no. 113 of this Draft Red Herring Prospectus.

- 45. *We have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. Further we have not identified any alternate source of financing the ‘Objects of the Issue’. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.***

As on date, we have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. Over the period of time, we have met our capital requirements through various means including equity funds of our Promoter, working capital bank loans and unsecured loans from our Promoter / promoter Group. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this Issue or any shortfall in the Issue Proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer “*Objects of the Issue*” on page no. 67 of this Draft Red Herring Prospectus.

- 46. *Certain agreements may be inadequately stamped or may not have been registered as a result of which our operations may be adversely affected.***

Few of our agreements may not be stamped adequately or registered. The effect of inadequate stamping is that the document is not admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after paying a penalty for inadequate stamping. The effect of non registration, in certain cases, is to make the document inadmissible in legal proceedings. Any potential dispute due to non-compliance of local laws relating to stamp duty and registration may adversely impact the operations of our Company.

- 47. *The requirements of being a public listed company may strain our resources and impose additional requirements.***

With the increased scrutiny of the affairs of a public listed company by shareholders, regulators and the public at large, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur in the past. We will also be subject to the provisions of the listing agreements signed with the Stock Exchange(s) which require us to file unaudited financial results on a half yearly basis. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management’s attention may be diverted from other business concerns, which could have an adverse effect on our business and operations. There can be no assurance that we will be able to satisfy our reporting obligations and/or readily determine and report any changes to our results of operations in a timely manner as other listed companies. In addition, we will need to increase the strength of our management team and hire additional legal and accounting staff with appropriate public company experience and accounting knowledge and we cannot assure that we will be able to do so in a timely manner.

RISK FACTORS RELATED TO EQUITY SHARES

- 48. *The Equity Shares issued pursuant to the Issue may not be listed on the Stock Exchange(s) in a timely manner, or at all, and any trading closures at the Stock Exchange(s) may adversely affect the trading price of our Equity Shares.***

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorising the issuing of Equity Shares to be submitted and there could therefore be a failure or delay in listing the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining such approval would restrict your ability to dispose of your Equity Shares.

The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in developed economies. The Stock Exchanges have in the past experienced problems, including temporary exchange closures, broker defaults, settlements delays and strikes by brokerage firm employees, which, if continuing or recurring, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares, in both domestic and international markets. A closure of, or trading stoppage on, either of the Stock Exchanges could adversely affect the trading price of the Equity Shares.

49. Any further issuance of Equity Shares by our Company or sales of Equity Shares by any significant shareholders may adversely affect the trading price of the Equity Shares

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

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

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

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

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

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

The price of the Equity Shares will be subject to a daily circuit breaker imposed by all stock exchanges in India which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by the SEBI on Indian stock exchanges. The percentage limit on our circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker effectively limits upward and downward movements in the price of the Equity Shares. As a result, shareholders' ability to sell the Equity Shares, or the price at which they can sell the Equity Shares, may be adversely affected at a particular point in time.

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

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realised on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India, upto an amount of ₹ 1 lakh, if Securities Transaction Tax (“STT”) has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold. Any gain realised on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of 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. In addition, changes in the terms of tax treaties or in their interpretation, as a result of renegotiations or otherwise, may affect the tax treatment of capital gains arising from a sale of Equity Shares.

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

We are a product marketing company, engaged in trading and distribution of multiple products. Our future ability to pay dividends will depend on the earnings, financial condition and capital requirements of our Company. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. We cannot assure you that we will generate sufficient income to cover our operating expenses and pay dividends to our shareholders, or at all.

Our business is working capital intensive and we may plan to invest additional working capital expenditures to effect purchase of inventory or pay creditors. Our ability to pay dividends could also be restricted under certain financing arrangements that we may enter into. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements for the products proposed to purchased, financial condition and results of operations.

EXTERNAL RISK FACTORS

54. *Any change in the government policies in India or that of any State in India vis-à-vis expenditure, subsidies and policies etc. in the trading sector and also in various other rules in India could affect our ability to carry on our trade, thereby affecting our business and profitability.*

Any changes in government policies in India or that of any State in India, relating to the distribution and trading industry such as reduction of government expenditure, withdrawal or changes in incentives and subsidy systems, or adverse changes in overall prices and / or minimum support prices could have an adverse effect on the ability of various traders and stockists to spend on a large variety of traded products.

Our ability to exploit the prices for different products and brands may be restricted by the various government policies and restrictions and our profits may be affected accordingly. End users of our various products / brands may seek to find ways to reduce or contain related costs. We cannot predict the nature of the measures that may be adopted by governments or private organisations or their impact on our revenues. In the event such measures result in increased costs for our suppliers to undertake the trading activity, their concentration in this area may reduce which could affect our supply chain and our overall revenues may decrease and our cash flows and profits could be adversely affected even in cases where the demand for our products increases.

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

A majority of the provisions and rules under the Companies Act, 2013 have recently been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013, and amendments there to, has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital, disclosures in prospectus, corporate governance norms, audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a

restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. Further, companies meeting certain financial thresholds are also required to constitute a committee of the board of directors for corporate social responsibility activities and ensure that at least 2% of the average net profits of the company during three immediately preceding financial years are utilized for corporate social responsibility activities. Penalties for instances of non-compliance have been prescribed under the Companies Act, 2013, which may result in inter alia, our Company, Directors and key managerial employees being subject to such penalties and formal actions as prescribed under the Companies Act, 2013, should we not be able to comply with the provisions of the New Companies Act within the prescribed timelines, and this could also affect our reputation.

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

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

56. *Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, financial condition, results of operations and prospects.*

Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. Please refer to “*Key Industry Regulations and Policies*” on page no. 117 of this Draft Red Herring Prospectus for details of the laws currently applicable to us. There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

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

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

In the absence of any precedents on the subject, the application of these provisions is uncertain. The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our

tax payments (prospectively or retrospectively) and/or subject us to penalties. Further, changes in capital gains tax or tax on capital market transactions or sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

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

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

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

While facts and other statistics in this Draft Red Herring Prospectus relating to India, the Indian economy and the Trading and Distribution industry has been based on various publications and reports from agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled 'Our Industry' beginning on page no. 79 of this Draft Red Herring Prospectus. Due to possibly flawed or ineffective data or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and we have placed our reliance on the report provided to us by IRR Advisory. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

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

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

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

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

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

61. *Instability in financial markets could materially and adversely affect our results of operations and financial condition.*

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions

to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets.

The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in SENSEX, BSE's benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

62. Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessments of our Company's financial condition. Our failure to successfully adopt IFRS may have an adverse effect on the price of our Equity Shares. The proposed adoption of IFRS could result in our financial condition and results of operations appearing materially different than under Indian GAAP.

Our financial statements, including the financial statements provided in this Draft Red Herring Prospectus, are prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Indian GAAP. For details, see "Presentation of Financial, Industry and Market Data" on page no. 12 of this Draft Red Herring Prospectus. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

India has decided to adopt the "Convergence of its existing standards with IFRS" and not the "International Financial Reporting Standards" ("IFRS"), which was announced by the MCA, through the press note dated January 22, 2010. These "IFRS based / synchronized Accounting Standards" are referred to in India as IND (AS). Public companies in India, including our Company, may be required to prepare annual and interim financial statements under IND (AS). The MCA, through a press release dated February 25, 2011, announced that it will implement the converged accounting standards in a phased manner after various issues, including tax related issues, are resolved. Further, MCA Notification dated February 16, 2015, has provided an exemption to the Companies proposing to list their shares on the SME Exchange as per Chapter IX of the SEBI ICDR Regulations and hence the adoption of IND (AS) by a SME exchange listed company is voluntary. Accordingly, we have made no attempt to quantify or identify the impact of the differences between Indian GAAP and IFRS or to quantify the impact of the difference between Indian GAAP and IFRS as applied to its financial statements. There can be no assurance that the adoption of IND-AS will not affect our reported results of operations or financial condition. Any failure to successfully adopt IND-AS may have an adverse effect on the trading price of our Equity Shares. Currently, it is not possible to quantify whether our financial results will vary significantly due to the convergence to IND (AS), given that the accounting principles laid down in the IND (AS) are to be applied to transactions and balances carried in books of accounts as on the date of the applicability of the converged standards (i.e., IND (AS)) and for future periods.

Moreover, if we volunteer for transition to IND (AS) reporting, the same may be hampered by increasing competition and increased costs for the relatively small number of IND (AS)-experienced accounting personnel available as more Indian companies begin to prepare IND (AS) financial statements. Any of these factors relating to the use of converged Indian Accounting Standards may adversely affect our financial condition.

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

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

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

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

SECTION IV – INTRODUCTION

THE ISSUE

The following table summarises the Issue details:

Equity Shares Issued	Particulars
Issue of Equity Shares ⁽¹⁾	Upto 56,04,000 Equity Shares, aggregating up to ₹ [●] Lakhs
<i>Of Which:</i>	
Market Maker Reservation Portion	Upto 2,88,000 Equity Shares aggregating up to ₹ [●] lakhs
Accordingly,	
Net Issue	Upto 53,16,000 Equity Shares aggregating up to ₹ [●] lakhs
<i>The Issue consists of:</i>	
A) QIB Portion ⁽²⁾⁽³⁾	Not more than [●] Equity Shares up to ₹ [●] lakhs
<i>of which:</i>	
Available for allocation to Mutual Funds only (5% of the QIB Portion)	Upto [●] Equity Shares
Balance for all QIBs including Mutual Funds	Upto [●] Equity Shares
B) Non-Institutional Portion ⁽³⁾	Not less than [●] Equity Shares
C) Retail Portion ⁽³⁾	Not less than [●] Equity Shares
Pre and post Issue Equity Shares	
Equity Shares outstanding prior to the Issue	1,49,34,000 Equity Shares
Equity Shares outstanding after the Issue ⁽⁴⁾	Upto 2,05,38,000 Equity Shares
Use of Net Proceeds	See “ <i>Objects of the Issue</i> ” on page no. 67 of this Draft Red Herring Prospectus for information about the use of the proceeds from the Fresh Issue.

⁽¹⁾ The Issue has been authorized by a resolution of our Board dated February 05, 2019 and the Fresh Issue has been authorized by a special resolution of our Shareholders, held with a shorter notice, dated February 06, 2019.

⁽²⁾ 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. For details, please refer the chapter “Issue Procedure” beginning on page no. 225 of this Draft Red Herring Prospectus.

⁽³⁾ 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, the BRLM and the Designated Stock Exchange. In the event of under-subscription in the Issue, Equity Shares shall be allocated in the manner specified in the section “Terms of the Issue” beginning on page no. 217 of this Draft Red Herring Prospectus.

⁽⁴⁾ Assuming full subscription of the Issue.

For further details regarding the Issue Structure and Issue Procedure, please refer the chapters titled “Issue Structure” and “Issue Procedure” beginning on page nos. 222 and 225, respectively of this Draft Red Herring Prospectus.

SUMMARY OF FINANCIAL INFORMATION

STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(₹ in lakhs)

Particulars	As at September 30, 2018	As at March 31,		
		2018	2017	2016
EQUITY AND LIABILITIES				
Shareholders' Funds				
a. Share Capital	1,493.40	248.90	248.90	214.85
b. Reserves & Surplus	8,097.94	7,945.02	4,769.04	2,178.41
	9,591.34	8,193.92	5,017.94	2,393.26
Share Application Money Pending Allotment				500.65
Non Current Liabilities				
a. Long Term Borrowings	7,674.37	5,158.69	5,230.18	3,507.70
b. Deferred Tax Liabilities	-	-	62.84	54.68
c. Long Term Provisions	20.00	20.00	23.20	18.24
	7,694.37	5,178.69	5,316.22	3,580.62
Current Liabilities				
a. Short Term Borrowings	23,530.80	21,072.15	13,299.35	2,911.51
b. Trade Payables	8,577.96	7,763.26	7,300.32	3,896.32
c. Other Current Liabilities	1,752.64	615.41	820.60	571.25
b. Short Term Provisions	2,187.06	1,907.57	1,738.04	644.99
	36,048.46	31,358	23,158.31	8,024.07
T O T A L	53,334.17	44,731.01	33,492.46	14,498.60
ASSETS				
Non Current Assets				
a. Fixed Assets (Net Block)				
i. Tangible Assets	1,364.80	936.25	925.67	846.61
ii. Intangible Assets	634.29	634.29	215.31	215.31
Gross Block	1,999.09	1,570.54	1,140.98	1,061.92
Less: Depreciation	983.77	870.73	673.59	569.28
Net Block	1,015.32	699.81	467.38	492.64
iii. Capital Work in Progress	-	-	-	-
b. Non Current Investment	16.13	16.12	81.20	81.20
c. Deferred Tax Assets (Net)	52.90	37.78		
d. Long Term Loans & Advances	36.45	15.23	15.94	15.94
Current Assets				
a. Inventories	36,392.65	31,565.29	21,127.07	7,285.57
b. Trade Receivables	13,492.65	10,528.50	8,976.12	4,704.41
c. Cash and Cash Equivalents	1,745.76	1,525.52	2,381.50	904.06
d. Short Term Loans & Advances	380.95	267.79	268.14	832.73
e. Other Current Assets	201.38	74.98	175.10	182.06
T O T A L	53,334.19	44,731.01	33,492.46	14,498.61

STATEMENT OF PROFIT AND LOSS, AS RESTATED
(₹ in lakhs)

Particulars	For the period ended Sept 30, 2018	For the year ended March 31,		
		2018	2017	2016
INCOME				
Revenue from Operations	53,919.11	71,484.40	57,708.90	34,285.10
Other Income	50.70	264.69	112.90	102.50
Total Income (A)	53,969.81	71,749.09	57,821.80	34,387.60
EXPENDITURE				
Purchases	53,572.81	72,274.83	63,467.30	32,539.35
Changes in Inventory	(4,827.36)	(10,438.22)	(13,841.50)	(2,184.01)
Employee benefit expenses	570.43	946.22	1,074.93	409.83
Finance costs	1,904.58	2,682.76	1,921.91	785.05
Depreciation	113.04	197.14	104.32	111.17
Other Expenses	563.13	1,567.75	1,789.77	1,294.61
Total Expenses (B)	51,896.63	67,230.48	54,516.72	32,956.00
Profit before exceptional, extraordinary items and tax (A-B)	2,073.18	4,518.61	3,305.08	1,431.60
Exceptional items	-	-	-	-
Profit before extraordinary items and tax	2,073.18	4,518.61	3,305.08	1,431.60
Extraordinary items	-	-	-	-
Profit before tax (D)	2,073.18	4,518.61	3,305.08	1,431.60
<i>Tax expense :</i>				
(i) Current tax	690.88	1,443.25	1,148.04	493.82
(ii) MAT credit	-	-	-	-
(iii) Deferred tax	15.12	100.62	(8.16)	(13.70)
Total Tax Expense (E)	675.76	1,342.64	1,156.20	507.52
Profit for the year (D-E)	1,397.42	3,175.98	2,148.88	924.08

CASH FLOW STATEMENT, AS RESTATED
(₹ in lakhs)

Particulars	For the period ended Sept 30, 2018	For the year ended March 31,		
		2018	2017	2016
Cash flow from operating activities:				
Net Profit before tax as per Profit And Loss account	2,073.18	4,518.61	3,305.08	1,431.60
<i>Adjusted for:</i>				
provision for gratuity	-00.0	(1.45)	5.31	(1.39)
Depreciation & Amortisation	113.04	197.14	104.32	111.17
Interest & Financial Charges	1,904.58	2,682.76	1,921.91	785.05
Provision for Diminution in Value of Investment	-	53.16	-	-
Profit on Sale of Investment	-	(136.39)	-	-
Operating Profit Before Working Capital Changes	4,090.80	7,313.83	5,336.61	2,326.44
Adjusted for (Increase)/ Decrease in:				
Trade Receivables	(2,964.14)	(1,552.38)	(4,271.72)	(2,257.83)
Inventories	(4,827.36)	(10,438.22)	(13,841.50)	(2,183.96)
Short Term Loans and Advances	(113.16)	0.36	564.59	2,241.48
Other Current Assets	(126.41)	100.13	6.95	(21.99)
Trade Payables	814.69	462.95	3,403.99	458.28
Other Current Liabilities	1,137.23	(205.19)	249.35	(17.56)
Cash Generated From Operations Before Extra-Ordinary Items	(1,988.35)	(4,318.53)	(8,551.72)	544.86
Direct Tax Paid	411.39	1,275.48	55.34	60.65
Net Cash Flow from/(used in) Operating Activities: (A)	(2,399.74)	(5,594.00)	(8,607.06)	484.22
Cash Flow From Investing Activities:				
Net Additions of Fixed Assets	(428.55)	(429.56)	(79.06)	(29.72)
Increase / (Decrease) in long term loans & advances	(21.23)	0.71	-00.0	37.30
Sale Proceeds of Investment	-	148.31	-	-
Net Cash Flow from/(used in) Investing Activities: (B)	(449.78)	(280.54)	(79.06)	7.58
Cash Flow from Financing Activities:				
Issue of Share Capital	-	-	500.65	-
Share Application Money	-	-	(500.65)	500.65
Redemption of Preference Share Capital	-	-	(24.85)	-
Increase / (Decrease) in Long Term Borrowing	2,515.68	(71.48)	1,722.48	9.05
Increase / (Decrease) in Short Term Borrowing	2,458.65	7,772.80	10,387.84	91.86
Investment in Fixed Deposit (Margin money)	(255.00)	(565.77)	(662.00)	(32.08)
Interest & Financial Charges	(1,904.58)	(2,682.76)	(1,921.91)	(785.05)
Net Cash Flow from/(used in) Financing Activities (C)	2,814.75	4,452.79	9,501.55	(215.56)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(34.77)	(1,421.75)	815.43	276.24
Cash & Cash Equivalents As At Beginning of the Year	81.92	1,503.67	688.24	412.00
Cash & Cash Equivalents As At End of the Year	47.16	81.92	1,503.67	688.24

<i>Cash & Cash Equivalents comprises of :</i>				
Cash in Hand	3.33	3.84	2.98	4.51
Bank Balance	43.83	78.09	1,500.69	683.73
Closing Balance of Cash & Cash Equivalents	47.16	81.92	1,503.67	688.24

Reconciliation of Cash & Cash Equivalents –

(₹ in lakhs)

Particulars	For the period ended Sept 30, 2018	For the year ended March 31,		
		2018	2017	2016
Cash & Cash Equivalents as per Cash flow Statement	47.16	81.92	1,503.67	688.24
Earmarked for Margin Money Deposit	1,698.60	1,443.60	877.83	215.82
Cash & Cash Equivalents as per Statement of Assets & Liabilities	1,745.76	1,525.52	2,381.50	904.06

GENERAL INFORMATION

Our Company was incorporated as Kwik Appliances Private Limited on September 11, 1985, under the Companies Act, 1956 with the Registrar of Companies, Mumbai bearing Registration No. 037465. Pursuant to a special resolution passed by the shareholders of our Company at the extra-ordinary general meeting held on December 21, 2006 the name of our Company was changed to “JSK Marketing Private Limited” and a fresh Certificate of Incorporation pursuant to change of name dated December 29, 2006 has been issued by Registrar of Companies, Mumbai . Further, the status of our Company was changed to a public limited company and the name of our Company was changed to JSK Marketing Limited by a special resolution passed on February 21, 2017. A fresh certificate of incorporation consequent to the change of name pursuant to the conversion into public limited company was granted to our Company on March 17, 2017, by the Registrar of Companies, Mumbai. The Corporate Identity Number of our Company is U29300MH1985PLC037465.

For further details, please refer to the chapter titled “*History and Other Corporate Matters*” beginning on page no. 124 of this Draft Red Herring Prospectus.

BRIEF COMPANY INFORMATION

Registered Office

403-405, Sumer Kendra Co-Op Society Ltd,
4th Floor, Behind Mahindra Tower, Pandurang Budhkar Marg,
Worli, Mumbai – 400 018
Tel No: +91 – 22 – 24963106 / 61209400
Fax No: +91 – 22 – 24950945
Email: ipo@jskindia.com
Website: www.jskindia.com

Address of Registrar of Companies

Our Company is registered with the RoC situated at:

Everest 5th Floor, 100 Marine Drive,
Mumbai – 400 002
Tel No.: +91 –22 – 22817259 / 2281 1493
Fax No.: +91 – 22 – 2281 2389

Board of Directors of our Company

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

Name	Designation	Address	DIN
Mr. Kunal Jiwrajka	Managing Director	161/C, Grand Paradi, A. K. Marg, Near Shalimar Hotel, Kemps Corner, August T Kranti M Mumbai 400 036	01448603
Mrs. Laxmidevi Jiwrajka	Non-Executive Director	161/C, Grand Paradi Apartments, A. K. Marg, Behind Shalimar Hotel, KEMPS corner, August ST Kranti Mumbai 400 036	00050617
Mrs. Sakshi Jiwrajka	Non-Executive Director	161/C, Grand Paradi, A.K. Marg, Near Shalimar Hotel, KEMPS Corner, August Kranti Mumbai – 400 036.	03303483
Mr. Parmindersingh Yadav	Non-Executive Independent Director	550/3582, Shardhapark, Gujarat Housing Board, Chandkheda, Ahmedabad, Gujarat 382 424	07978910
Mr. Utpal Desai	Non-Executive Independent Director	A/2, Bharat Kunj , 8th Road, Opp. Dinkar Patel Udyan, Santacruz (East), Mumbai 400 055	06931523

For further details pertaining to the educational qualification and experience of our Directors, for details please refer to the chapter titled “*Our Management*” beginning on page no. 128 of this Draft Red Herring Prospectus.

Company Secretary and Compliance Officer

Ms. Anupkumari Shukla is the Company Secretary and Compliance Officer of our Company. Her contact details are as follows:

Ms. Anupkumari Shukla
403-405, Sumer Kendra Co-Op Society Ltd,
4th Floor, Behind Mahindra Tower,
Pandurang Budhkar Marg, Worli,
Mumbai – 400 018.
Tel. No.: +91 – 22 – 24963106 / 61209400
Fax No.: +91 – 22 – 24950945
Email: cs@jskindia.com

DETAILS OF KEY INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY

BOOK RUNNING LEAD MANAGER TO THE ISSUE



ARYAMAN FINANCIAL SERVICES LIMITED

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

REGISTRAR TO THE ISSUE



BIGSHARE SERVICES PRIVATE LIMITED

1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri East, Mumbai – 400 059
Tel: +91 – 22 – 6263 8200;
Fax: +91 – 22 – 6263 8299
Email: ipo@bigshareonline.com
Website: www.bigshareonline.com
Investor Grievance Email: investor@bigshareonline.com
Contact Person: Mr. Ashok Shetty
SEBI Registration No.: INR000001385

LEGAL COUNSEL TO THE ISSUE



M/s. KANGA & COMPANY (ADVOCATES & SOLICITORS)

Readymoney Mansion,
43, Veer Nariman Road,
Mumbai – 400 001
Tel No.: +91 – 22 – 6623 0000, +91 – 22 – 6633 2288
Fax No.: +91 – 22 – 6633 9656 / 57
Contact Person: Mr. Chetan Thakkar
Email: chetan.thakkar@kangacompany.com
Website: www.kangacompany.com

STATUTORY/ PEER REVIEW AUDITORS OF THE COMPANY

M/S. SSRV & ASSOCIATES

215 – Gundecha Industrial Estate,
Akurli Road, Kandivali (E),
Mumbai – 400 101

Tel No.: +91 – 22 – 6733 7008

Email: ssrvandassociates@gmail.com

Peer Review No.: 010246

Firm Registration No.: 135901W

Contact Person: Mr. Vishnukant Kabra

Change in Auditors

There has been no change in the Auditors of our Company, during the last 3 (three) years.

BANKERS TO OUR COMPANY

[•]

BANKERS TO THE ISSUE

[•]

SYNDICATE MEMBERS

[•]

SELF CERTIFIED SYNDICATE BANKS

The lists of Banks that have been notified by SEBI to act as SCSBs for the ASBA process are provided on <https://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. For a list of branches of SCSBs named by the respective SCSBs to receive ASBA Forms from the

Designated Intermediaries and updated from time to time, refer to the above-mentioned link or any such other website as may be prescribed by SEBI from time to time.

REGISTERED BROKERS TO THIS ISSUE

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx? and www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, as updated from time to time.

REGISTRAR TO ISSUE AND SHARE TRANSFER AGENTS

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address,

telephone number and e-mail address, is provided on the websites of Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and

www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

COLLECTING DEPOSITORY PARTICIPANTS

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and Contact details, is provided on the websites of BSE at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and on the website of NSE at www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, as updated from time to time.

INTER-SE ALLOCATION OF RESPONSIBILITIES

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

MONITORING AGENCY

Our Company shall appoint a monitoring agency in relation to the Issue, if required under Regulation 41 the SEBI ICDR Regulations prior to filing of the Red Herring Prospectus.

IPO GRADING

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

TRUSTEES

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

DETAILS OF THE APPRAISING AUTHORITY

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

CREDIT RATING

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

FILING OF THE DRAFT RED HERRING PROSPECTUS/RED HERRING PROSPECTUS/PROSPECTUS

The Draft Red Herring Prospectus will not be filed with SEBI, nor will SEBI issued any observation on the Offer Document in terms of Regulation 246 (2) of SEBI ICDR Regulations. However, pursuant to Regulation 246 (5) of the SEBI ICDR Regulations, a copy of Draft Red Herring Prospectus shall be furnished to the SEBI in a soft copy.

Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Red Herring Prospectus and Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. Pursuant to Section 32 of the Companies Act, 2013, the Red Herring Prospectus and Prospectus along with the material contracts and documents will be filed with the RoC situated at Everest 5th Floor, 100 Marine Drive, Mumbai – 400 002

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, which will be decided by our Company in consultation with the BRLM, and advertised in all editions of [●] (a widely circulated English national daily newspaper) and all editions of [●] (a widely circulated Hindi national daily newspaper and Mumbai edition of Marathi daily newspaper, [●] (Marathi being the regional language of Maharashtra, where our registered office is located), at least two 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 BRLM after the Bid/ Issue Closing Date.

All Bidders are mandatorily required to 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 can revise their Bids during the Bid / Issue Period and withdraw their Bids until the Bid / Issue Closing Date. Allocation to QIBs in the QIB Portion will be on a proportionate basis. For further details, see “*Terms of the Issue*” and “*Issue Procedure*” beginning on page nos. 217 and 225 respectively, of this Draft Red Herring Prospectus.

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.

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

For further details on the method and procedure for Bidding, please refer the chapter “*Issue Procedure*” beginning on page no. 225 of this Draft Red Herring Prospectus.

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

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

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

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

Steps to be taken by the Bidders for Bidding:

1. Check eligibility for making a Bid (see section titled “*Issue Procedure*” on page no. 225 of this Draft Red Herring Prospectus);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
3. Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
4. Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant’s verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.

5. Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form;

UNDERWRITING

Our Company has entered into an Underwriting Agreement dated February 07, 2019 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 BRLM shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions, as specified therein.

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

Details of the Underwriters	No. of Equity Shares to be Underwritten ⁽¹⁾	Amount Underwritten (₹ in lakhs)	% of the Total Issue Size Underwritten
Aryaman Financial Services Limited 60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.), Fort, Mumbai – 400 001 Tel. No.: +91 – 22 – 6216 6999 Email: ipo@afsl.co.in	53,16,000	[•]	94.86%
Aryaman Capital Markets Limited 60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg, Opp. P. J. Tower (BSE Bldg.), Fort, Mumbai – 400 001 Tel. No.: +91 – 22 – 6216 6999 Email: aryacapm@gmail.com	2,88,000	[•]	5.14%
Total	56,04,000	[•]	100.00%

⁽¹⁾ The above-mentioned is indicative underwriting and will be finalised after determination of Issue Price and Basis of Allotment and subject to the provisions of the SEBI ICDR Regulations.

In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this issue has been hundred percent underwritten and shall not restrict to the minimum subscription level. Our Company shall ensure that The Book Running Book Running Lead Manager to the Issue has underwritten more than 15% of the total Issue Size.

In the opinion of the Board, 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).

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the BRLM and the Syndicate Member(s) shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the underwriting agreement, will also be required to procure/subscribe to Equity Shares to the extent of the defaulted amount. If the Syndicate Member(s) fails to fulfil its underwriting obligations as set out in the Underwriting Agreement, the Book Running Lead Manager shall fulfil the underwriting obligations in accordance with the provisions of the Underwriting Agreement.

DETAILS OF THE MARKET MAKING AGREEMENT:

In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the Book Running Book Running Lead Manager and the Market Maker (duly registered with NSE to fulfil the obligations of

Market Making) dated February 07, 2019 to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issue.



ARYAMAN CAPITAL MARKETS LIMITED

60, Khatau Building, Gr. Floor,
Alkesh Dinesh Modi Marg, Opp. P. J. Tower (BSE Bldg.),
Fort, Mumbai – 400 001

Tel. No.: +91 – 22 – 6216 6999

Fax No.: +91 – 22 – 2263 0434

Email: aryacapm@gmail.com

Contact Person: Mr. Harshad Dhanawade

SEBI Registration No.: INZ000004739

Aryaman Capital Markets Limited, registered with EMERGE Platform of NSE will act as the Market Maker and has agreed to receive or deliver of the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by any amendment to SEBI (ICDR) Regulations.

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, as amended from time to time and the circulars issued by BSE Limited and SEBI in this matter from time to time.

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

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

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Book Running Lead Manager to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations. Further the Company and the Book Running Lead Manager reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particulars point of time.

9. **Risk containment measures and monitoring for Market Maker:** NSE EMERGE will have all margins which are applicable on the NSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
10. **Punitive Action in case of default by Market Maker:** NSE EMERGE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and / or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

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

11. The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.
12. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for Markets Makers during market making process has been made applicable, based on the issue size and as follows:

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

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

CAPITAL STRUCTURE

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

(₹ in lakhs, except share data)

Sr. No.	Particulars	Aggregate Nominal Value	Aggregate Value at Issue Price
A	Authorised Share Capital		
	2,20,00,000 Equity Shares of face value of ₹ 10 each	2,200.00	-
B	Issued, Subscribed and Paid-up Share Capital before the Issue		
	1,49,34,000 Equity Shares of face value of ₹ 10 each	1,493.40	-
C	Present Issue in terms of this Draft Red Herring Prospectus⁽¹⁾		
	Public Issue of upto 56,04,000 Equity Shares of face value of ₹ 10 each ⁽¹⁾	560.40	[●]
	Which Comprises of:		
	2,88,000 Equity Shares of ₹ 10 each at a price of ₹ [●] per Equity Share reserved as Market Maker Portion	28.80	[●]
	Net Issue to Public of 53,16,000 Equity Shares of ₹ 10 each at a price of ₹ [●] per Equity Share to the Public	531.60	[●]
D	Paid-up Equity Share Capital after the Issue		
	Upto 2,05,38,000 Equity Shares of ₹ 10 each	2,053.80	[●]
E	Securities Premium Account		
	Before the Issue (as on date of this Draft Red Herring Prospectus)	Nil	
	After the Issue ⁽²⁾	[●]	

⁽¹⁾The Issue has been authorised by the Board of Directors vide a resolution passed at its meeting held on February 05, 2019, and by the shareholders of our Company vide a special resolution passed pursuant to section 62 of the Companies Act, 2013 at the EGM held with a shorter notice on February 06, 2019.

⁽²⁾ To be finalized upon determination of the Issue Price.

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

Changes in Authorized Share Capital

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

- The initial authorised share capital of ₹ 50,000/- divided into 500 Equity Shares of ₹ 10/- each was increased to ₹ 50,00,000/- divided into 50,000 Equity Shares of ₹ 100/- each, pursuant to resolution of shareholders passed at the Extra ordinary Meeting held on January 27, 1989.
- Increase in authorised capital from ₹ 50,00,000/- divided into 50,000 Equity Shares of ₹ 100/- each to ₹ 75,00,000/- divided into 50,000 Equity Shares of ₹ 100/- each and 25,000, 4% Non Cumulative preference shares of ₹ 100/- pursuant to resolution of shareholders passed at the Extra ordinary General Meeting held on September 11, 1989.
- Increase in authorised capital from ₹ 75,00,000/- divided into 50,000 Equity Shares of ₹ 100/- each and 25,000, 4% Non Cumulative preference shares of ₹ 100/- to ₹ 5,00,00,000/- divided into 4,75,000 Equity Shares of ₹ 100/- each and 25,000, 4% Non Cumulative Redeemable Preference Shares of ₹ 100/- pursuant to resolution of shareholders passed at the Extra ordinary General Meeting held on February 28, 2007.
- Increased in Authorised Share Capital from ₹ 5,00,00,000/- divided into 4,75,000 equity shares of ₹ 100/- each and 25000 4% non cumulative Redeemable Preference Shares of ₹ 100/- each to ₹ 10,00,00,000/- divided into 9,75,000

equity shares of ₹ 100/- each and 25,000 4% non cumulative Redeemable Preference Shares of ₹ 100/- each pursuant to resolution of shareholders passed at the Extra ordinary General Meeting held on May 05, 2016.

5. Authorised share capital of ₹ 10,00,00,000 divided into 9,75,000 equity shares of ₹ 100/- each and 25,000 4% non cumulative Redeemable Preference Shares of ₹ 100/- each re-classified into 1,00,00,000 equity shares of ₹ 100/- each and the re-classified Authorised share capital of ₹ 10,00,00,000 divided into 10,00,000 equity shares of ₹ 100/- each were Sub-divided as ₹ 10,00,00,000 divided into 1,00,00,000 equity shares of ₹ 10/- each pursuant to resolution of shareholders passed at the Extra ordinary General Meeting held on January 03, 2017.
6. Increased in Authorised Share Capital from ₹ 10,00,00,000/- divided into 1,00,00,000 equity shares of ₹ 10/- each to ₹ 15,00,00,000/- divided into 1,50,00,000 equity shares of ₹ 10/- each pursuant to resolution of shareholders passed at the Extra ordinary General Meeting held on June 08, 2018.
7. Increased in Authorised Share Capital from ₹ 15,00,00,000/- divided into 1,50,00,000 equity shares of ₹ 10/- each to ₹ 22,00,00,000/- divided into 2,20,00,000 equity shares of ₹ 10/- each pursuant to resolution of shareholders passed at the Extra ordinary General Meeting held on December 18, 2018.

NOTES TO THE CAPITAL STRUCTURE

1) Share Capital History of our Company:

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

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature / Reason of Allotment	Nature of Consideration	Cumulative No. of Equity Shares	Cumulative Paid Up Share Capital (₹)	Cumulative Share Premium (₹)	
As on July 20, 1985	20	100	100	Subscription to MoA ⁽¹⁾	Cash	20	2,000	Nil	
October 12, 1992	4,800	100	100	Further Allotment ⁽²⁾	Cash	4,820	4,82,000	Nil	
September 17, 2007	1,85,180	100	100	Further Allotment ⁽³⁾	Cash	1,90,000	1,90,00,000	Nil	
July 28, 2016	58,900	100	850	Rights Issue ⁽⁴⁾	Cash	2,48,900	2,48,90,000	4,41,75,000	
January 03, 2017	Sub Division of the Face Value of the Equity Shares from ₹ 100 to ₹ 10 each ⁽⁵⁾						24,89,000	2,48,90,000	4,41,75,000
June 12, 2018	1,24,45,000	10	NIL	Bonus Allotment ⁽⁶⁾	Other Than Cash	1,49,34,000	14,93,40,000	Nil	

⁽¹⁾ Allotment of 20 equity shares of face value of ₹ 100 each to Mahesh Gupta (10 equity shares) & Krishna Kumar Jiwrajka (10 equity shares) as a result of subscription to the MoA.

⁽²⁾ 4,800 equity shares of ₹ 100 each were allotted to Krishna Kumar Jiwrajka HUF (2,100 equity shares), Krishna Kumar Jiwrajka (200 equity shares) & Laxmidevi Jiwrajka (2,500 equity shares)

⁽³⁾ 1,85,180 equity shares of ₹ 100 each were allotted to Krishna Kumar Jiwrajka HUF (33,990 equity shares), Kunal Jiwrajka (34,200 equity shares), Laxmidevi Jiwrajka (31,690 equity shares), Savitri Devi Jiwrajka (9,500 equity shares), Krishna Kumar Jiwrajka (HUF) (58,700 equity shares) & Radiohms Investment & Trading Private Limited (17,100 equity shares)

⁽⁴⁾ 58,900 equity shares of ₹ 100 each were allotted to Kunal Jiwrajka on right basis

⁽⁵⁾ Pursuant to EGM held on January 03, 2017, our Company has subdivided the face value of the Equity Share from ₹ 100 to ₹ 10/- each.

⁽⁶⁾ Pursuant to EGM held on June 08, 2018, our Company has issued 1,24,45,000 Bonus Shares in the ratio of 5:1 to all the existing shareholders of the Company i.e to Laxmidevi Jiwrajka (64,60,000 equity shares), Kunal Jiwrajka (46,55,000 equity shares), Savitridevi Jiwrajka (4,73,000 equity shares), Sakshi Jiwrajka (500 equity shares), JSL Marketing Pvt. Ltd. (500 equity shares), Kunal Jiwrajka HUF (500 equity shares), Kavya Jiwrajka (500 equity shares) & Radiohms Investment & Trading Pvt. Ltd. (8,55,000 equity shares).

- 2) Except issue of Bonus Shares to the eligible shareholders, our Company has not issued Equity Shares for consideration other than cash or out of Revaluation Reserves
- 3) No shares have been allotted in terms of any scheme approved under sections 391-394 of the Companies Act, 1956 or Sections 230-234 of the Companies Act, 2013.
- 4) Our Company has not issued any shares pursuant to an Employee Stock Option Scheme.
- 5) No shares have been issued at a price lower than the Issue Price within the last one year from the date of this Draft Red Herring Prospectus except as mentioned below:

Date of Allotment	Name of the Allottee	Number of Shares	Face Value (₹)	Issue Price (₹)	Reasons	Promoter/Promoter Group/ Public
June 12, 2018	Laxmidevi Jiwrajka	64,60,000	10	Nil	Bonus Issue	Promoter & Promoter Group
	Kunal Jiwrajka	46,55,000				
	Savitridevi Jiwrajka	4,73,000				
	Sakshi Jiwrajka	500				
	JSL Marketing Pvt. Ltd.	500				
	Kunal Jiwrajka HUF	500				
	Kavya Jiwrajka	500				
	Radiohms Investment & Trading Pvt. Ltd.	8,55,000				

⁽¹⁾ Pursuant to EGM held on June 08, 2018, our Company had issued 1,24,45,000 Bonus Shares in the ratio of 5:1 i.e. 5 equity share for every 1 equity share held by the shareholders, by way of capitalization of securities premium and free reserves of the Company.

6) Shareholding pattern of our Company

a) The following is the shareholding pattern of the Company as on the date of this Draft Red Herring Prospectus

Category (I)	Category of Share-holder (II)	No. of Share-holder (III)	No. of fully paid-up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares Underlying Depository Receipts (VI)	Total Nos. Shares held (VII) = (IV) + (V) + (VI)	Share holding as a % of total No. of Shares (calculated As per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each Class of securities (IX)				No of Underlying Outstanding Convertible securities (incl. Warrants) (X)	Share Holding as a % assuming Full convertible securities (as a % of Diluted Share Capital) (XI) = ((VII)+(X)) As a % of (A+B+C2)	Number of Locked In shares (XII)		No. of shares Pledged Or Otherwise encumbered (XIII)		No. of Equity shares held in De-mat form (XIV)
								No of voting Right			Total As a % of (A+B+C)			No (a)	As a % of total shares held (b)	No (a)	As a % of total shares held (b)	
								Class-Equity	Class	Total								
(A)	Promoter & Promoter Group	8	1,49,34,000	-	-	1,49,34,000	100.00%	1,49,34,000	-	1,49,34,000	100.00%	-	100.00%	-	-	-	-	-
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	Non Promoter Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares Underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	8	1,49,34,000	-	-	1,49,34,000	100.00%	1,49,34,000	-	1,49,34,000	100.00%	-	100.00%	-	-	-	-	-

- b) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as on the date of this Draft Red Herring Prospectus.

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Issue Equity Share Capital (%)
1.	Laxmidevi Jiwarajka	77,52,000	51.91%
2.	Kunal Jiwarajka	55,86,000	37.40%
3.	Savitridevi Jiwarajka	5,67,600	3.80%
4.	Radiohms Investment & Trading Pvt. Ltd.	10,26,000	6.87%
	TOTAL	1,49,31,600	99.98%

- c) Our Company has not issued any warrants, convertible debentures, loan or nay other instrument which would entitle the shareholders to equity shares upon exercise or conversion
- d) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as of two years prior to the date of this Draft Red Herring Prospectus.

Sr. No.	Name of the Shareholder	No. of Equity Shares ⁽¹⁾	Percentage of then Equity Share Capital (%)
1.	Laxmidevi Jiwarajka	1,29,200	51.91%
2.	Kunal Jiwarajka	93,100	37.40%
3.	Savitridevi Jiwarajka	9,460	3.80%
4.	Radiohms Investment & Trading Pvt. Ltd.	17,100	6.87%
	TOTAL	24,88,60	99.98%

⁽¹⁾ Pursuant to EGM held on January 03, 2017, our Company has subdivided the face value of the Equity Share from ₹ 100 to ₹ 10/- each.

- e) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as of one year prior to the date of this Draft Red Herring Prospectus.

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Issue Equity Share Capital (%)
1.	Laxmidevi Jiwarajka	12,92,000	51.91%
2.	Kunal Jiwarajka	9,31,000	37.40%
3.	Savitridevi Jiwarajka	94,600	3.80%
4.	Radiohms Investment & Trading Pvt. Ltd.	1,71,000	6.87%
	TOTAL	24,88,600	99.98%

- f) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, on a fully diluted basis, as of 10 days prior to the date of this Draft Red Herring Prospectus.

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Issue Equity Share Capital (%)
1.	Laxmidevi Jiwarajka	77,52,000	51.91%
2.	Kunal Jiwarajka	55,86,000	37.40%
3.	Savitridevi Jiwarajka	5,67,600	3.80%
4.	Radiohms Investment & Trading Pvt. Ltd	10,26,000	6.87%
	TOTAL	1,49,31,600	99.98%

- g) Our Company has not made any public issue (including any rights issue to the public) since its incorporation.

- 7) Except as disclosed in this Draft Red Herring Prospectus, our Company does not have any intention or proposal to alter our capital structure within a period of 6 months from the date of opening of the Issue by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or bonus, rights, further public issue or qualified institutions placement or otherwise. However, our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the opening of the Issue to finance an acquisition, merger or joint venture or for

regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.

8) Shareholding of our Promoter

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

Date of Allotment / Transfer	Nature of Transaction	Consideration	No. of Shares	F.V (₹)	Issue / Transfer Price (₹)	Cumulative no. of Shares	% of Pre-Issue Paid Up Capital	% of Post-Issue Paid Up Capital	Lock in Period
Mr. Kunal Jiwarajka									
September 17, 2007	Further Allotment	Cash	34,200 ⁽¹⁾	100	100	34,200	2.29%	1.67%	3 Years
July 28, 2016	Right Issue	Cash	58, 900 ⁽¹⁾	100	850	93,100	6.23%	4.53%	3 Years
Pursuant to a resolution of our shareholders dated January 03, 2017, each equity share of our Company of face value ₹ 100 was sub divided into the face value of ₹ 10 each, and accordingly, 93,100 equity shares of ₹ 100 each held Mr. Kunal Jiwarajka were split into 9,31,000 Equity Shares.									
June 12, 2018	Bonus Issue ⁽²⁾	Nil	32,69,000 ⁽¹⁾	100	Nil	55,86,000	37.40%	27.20%	3 Years
			13,86,000						1 Year

⁽¹⁾ upto 42,00,000 Equity Shares of Mr. Kunal Jiwarajka will be locked-in for a period of three years and remaining for a period of one year.

⁽²⁾ Pursuant to EGM held on June 08, 2018, our Company has issued 1,24,45,000 Bonus Shares in the ratio of 5:1 to all the existing shareholders of the Company.

Notes:

- None of the shares belonging to our Promoter have been pledged till date.
- The entire Promoter' shares shall be subject to lock-in from the date of allotment of the equity shares issued through this Draft Red Herring Prospectus for periods as per applicable Regulations of the SEBI (ICDR) Regulations.
- Our Promoter have confirmed to the Company and the BRLM that the Equity Shares held by our Promoter have been financed from their personal funds and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose.
- All the shares held by our Promoter, were fully paid-up on the respective dates of acquisition of such shares.

b) Pre-Issue and Post-Issue Shareholding of our Promoter and Promoter Group

Category of Promoter	Pre-Issue		Post-Issue	
	No. of Shares	% of Pre-Issue Paid Up Capital	No. of Shares	% of Post- Issue Paid Up Capital
1. Promoter				
Mr. Kunal Jiwarajka	55,86,000	37.40%	55,86,000	27.20%
2. Promoter Group (as defined by SEBI (ICDR) Regulations)				
Mrs. Laxmidevi Jiwarajka	77,52,000	51.91%	77,52,000	37.75%
Mrs.Savitridevi Jiwarajka	5,67,600	3.80%	5,67,600	2.76%
Mrs. Sakshi Jiwarajka	600	0.00%	600	0.00%
JSL Marketing Pvt. Ltd.	600	0.00%	600	0.00%
Kunal Jiwarajka HUF	600	0.00%	600	0.00%
Ms. Kavya Jiwarajka	600	0.00%	600	0.00%
Radiohms Investment & Trading Pvt. Ltd.	10,26,000	6.87%	10,26,000	5.00%
3. Other Persons, Firms or Companies whose shareholding is aggregated for the purpose of disclosing in the Draft	-	-	-	-

Category of Promoter	Pre-Issue		Post-Issue	
	No. of Shares	% of Pre-Issue Paid Up Capital	No. of Shares	% of Post- Issue Paid Up Capital
Red Herring Prospectus under the heading “Shareholding of the Promoter Group”.				
Total Promoter & Promoter Group Holding	1,49,34,000	100.00%	1,49,34,000	72.71%
Total Paid up Capital	1,49,34,000	100.00%	2,05,38,000	100.00%

9) Our Company has Eight (8) shareholders, as on the date of this Draft Red Herring Prospectus.

10) We hereby confirm that:

- a) None of the members of the Promoter, Promoter Group, Directors and their immediate relatives have purchased or sold any Equity shares of our Company within the last six months from the date of this Draft Red Herring Prospectus.
- b) None of the members of the Promoter Group, Directors and their immediate relatives have financed the purchase by any other person of Equity shares of our Company other than in the normal course of business of the financing entity within the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

11) Promoter’ Contribution and other Lock-In details:

a) *Details of Promoter’ Contribution locked-in for 3 years*

Pursuant to the Regulation 236 and 238 of the SEBI (ICDR) Regulations, an aggregate of 20% of the Post-Issue Equity Share Capital held by our Promoter shall be considered as promoter’ contribution (“**Promoter’ Contribution**”) and locked-in for a period of three years from the date of Allotment. The lock-in of the Promoter’ Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

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

Name of Promoter	No. of Shares locked in ⁽¹⁾	As a % of Post-Issue Share Capital
Mr. Kunal Jiwarajka	Upto 42,00,000	20.45%
Total	Upto 42,00,000	20.45%

⁽¹⁾For details on the date of Allotment of the above Equity Shares, the nature of Allotment, face value and the price at which they were acquired, please refer Note no. 8 under “Notes to Capital Structure” on page no. 59 of this Draft Red Herring Prospectus.

We confirm that in compliance with Regulation 237 of SEBI ICDR Regulations, the minimum Promoter contribution of 20% as shown above which is subject to lock-in for three years does not consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources.
- Equity Shares acquired by the Promoter during the preceding one year, at a price lower than the price at which Equity Shares are being issued to public in the Issue.
- The Equity Shares held by the Promoter and offered for minimum 20% Promoter’ Contribution are not subject to any pledge.
- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoter’ Contribution subject to lock-in.

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

b) *Details of share capital locked-in for one year*

- i) Pursuant to Regulation 238 (b) and 239 of the SEBI (ICDR) Regulations, in addition to the Promoter Contribution to be locked-in for a period of 3 years, as specified above, the entire Pre-Issue Equity Share capital will be locked in for a period of one (1) year from the date of Allotment in this Issue.
 - ii) Pursuant to Regulation 242 of the SEBI Regulations, the Equity Shares held by our Promoter and Locked-in can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions for the purpose of financing one or more of the objects of the issue and the pledge of shares is one of the terms of sanction of such loan. However, as on date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoter have been pledged to any person, including banks and financial institutions.
 - iii) Pursuant to Regulation 243 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoter, which are locked in as per Regulation 236 of the SEBI (ICDR) Regulations, may be transferred to and amongst our Promoter/ Promoter Group or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.
 - iv) Pursuant to Regulation 243 of the SEBI (ICDR) Regulations, Equity Shares held by shareholders other than our Promoter, which are locked-in as per Regulation 239 of the SEBI (ICDR) Regulations, may be transferred to any other person holding shares, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.
- 12) Neither the Company, nor it's Promoter, Directors or the BRLM have entered into any buyback and/or standby arrangements for purchase of Equity Shares of the Company from any person.
 - 13) All Equity Shares issued pursuant to the Issue shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.
 - 14) As on the date of this Draft Red Herring Prospectus, the BRLM and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of our Company. The BRLM 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.
 - 15) As on date of this Draft Red Herring Prospectus, there are no outstanding ESOP's, warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares, nor has the company ever allotted any equity shares pursuant to conversion of ESOP's till date.
 - 16) Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under "*Basis of Allotment*" in the chapter titled "*Issue Procedure*" beginning on page no. 225 of this Draft Red Herring Prospectus. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 253 of SEBI (ICDR) Regulations, as amended from time to time.
 - 17) An over-subscription to the extent of 1% of the Net Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to lock- in shall be suitably increased, if required, so as to ensure that 20% of the post-Issue paid-up capital is locked in.
 - 18) 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, the BRLM and the Designated Stock Exchange. In the event of under-subscription in the Issue, Equity Shares shall be allocated in the manner specified in the section "*Terms of the Issue*" beginning on page no. 217 of this Draft Red Herring Prospectus.

- 19) No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoter to the persons who receive allotments, if any, in this Issue.
- 20) There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time.
- 21) Our Company shall ensure that transactions in the Equity Shares by our Promoter and our Promoter Group between the date of this Draft Red Herring Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within 24 hours of such transaction.
- 22) Our Promoter and Promoter Group will not participate in the Issue.
- 23) Our Company has not revalued its assets and we do not have any revaluation reserves till date.

SECTION V – PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

Issue Proceeds & Net Issue Proceeds

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

Sr. No.	Particulars	Amount
1	Gross Proceeds of the Issue	[●]
2	Issue related Expenses ⁽¹⁾	[●]
	Net Proceeds of the Issue	[●]

(₹ in lakhs)

⁽¹⁾ The Issue related expenses are estimated expenses and subject to change.

Net Issue

The Objects of the Net Issue is to raise funds for:

- (a) Funding Working Capital Requirement
- (b) General Corporate Purpose

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 as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by the Company through the Present Issue. Further, we confirm that the activities that we have been conducting until now are in accordance with the objects clause of our Memorandum of Association.

Proposed Schedule of Implementation and Deployment of the Net Proceeds

The Net Proceeds of the Issue (“Net Proceeds”) are currently expected to be deployed in accordance with the schedule as stated below:

Sr. No.	Object	Amount to be funded from Net Proceeds	Amount to be funded from Net Proceeds (F. Y. 2020)
1.	Funding Working Capital Requirement	6,030.00	6,030.00
2.	General Corporate Purpose	[●]	[●]
	Total	[●]	[●]

(₹ in lakhs)

Requirement of Funds and Means of Finance

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

The entire fund requirements are to be financed from the Net Issue Proceeds, and there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the Issue.

For further details on the risks involved in our proposed fund utilization as well as executing our business strategies, please refer the “Risk Factors - 20. Our funding requirements and deployment of the issue proceeds are based on

management estimates and have not been independently appraised by any bank or financial institution and is not subject to any monitoring by any independent agency and our Company's management will have flexibility in utilizing the Proceeds from the Issue" on page no. 29 of this Draft Red Herring Prospectus.

DETAILS OF THE FUND REQUIREMENTS

1) Funding Working Capital Requirement

Our business is working capital intensive and we fund the majority of our working capital requirements in the ordinary course of our business from financing from various banks, financial institutions and internal accruals. As at September 30, 2018, our sanctioned working capital facilities comprised ₹ 32,575.25 lakhs from various banks & other financial institutions and out of which an amount of ₹ 23,969.54 lakhs was outstanding. For further information, please refer the chapter "Financial Indebtedness" on page no. 185 of this Draft Red Herring Prospectus.

Our Company requires additional working capital for funding its working capital requirements in the Financial Year 2020. We believe that the funding of the working capital requirements of our Company will lead to a consequent increase in our profitability.

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

Our Company's existing working capital requirement on the basis of our Restated Financial Statements for the Fiscal 2017 & 2018 are as set out in the table below:

(₹ in lakhs)

Particulars	For year ended March 31, 2017	For year ended March 31, 2018
Current Assets		
Inventories	21,127.07	31,565.29
Trade Receivables	8976.12	10,528.50
Short Term Loans and Advances	268.14	267.79
Other Current Assets	175.10	74.98
Total (A)	30,546.43	42,436.56
Current Liabilities		
Trade Payables	7,300.32	7,763.26
Other Liabilities	820.60	615.41
Total (B)	8,120.92	8,378.67
Net working capital requirement (A - B)	22,425.51	34,057.89
Means of Finance		
Short Term Borrowings	13,299.35	23,969.54
Other Unsecured Loan	4,490.85	6,404.55
Internal Accruals / Owned Funds	4,635.31	3,683.80
Total Means of Finance	22,425.51	34,057.89

The details of our Company's expected working capital requirements for the Fiscal 2020 and funding of the same are as set out in the table below:

(₹ in lakhs)

Particulars	Fiscal 2019 (E)	Fiscal 2020 (P)
Current Assets		
Inventories	38,000	41,000
Trade Receivables	16,000	19,400
Short Term Loans and Advances	290	330
Other Current Assets	180	170
Total (A)	54,470	60,900
Current Liabilities		
Trade Payables	12,000	12,000

Particulars	Fiscal 2019 (E)	Fiscal 2020 (P)
Other Current Liabilities	1,500	1,900
Total (B)	13,500	13,900
Net working capital requirement (A - B)	40,970	47,000
Funding Pattern		
Working Capital Facilities from Banks & Others Financial Institutions ⁽¹⁾	30,570	30,570
Other Unsecured	6,400	6,400
Internal Accruals / Owned Funds ⁽²⁾⁽³⁾	4,000	4,000
Amount proposed to be utilised from Net Proceeds	-	6,030

⁽¹⁾ Our sanctioned working capital facilities comprises of ₹ 32,575.25 lakhs from various banks and financial institutions as on September 30, 2018.

⁽²⁾ The Statutory Auditors of the Company, M/s. SSRV & Associates, Chartered Accountants, vide their certificate dated February 12, 2019 have confirmed that the Company's 'Internal Accruals' and 'Owned Funds' as on March 31, 2018 and September 30, 2018 aggregates to ₹ 7,940.60 lakhs and ₹ 8,648.31 lakhs, respectively and ₹ 8,989.67 lakhs and ₹ 10,400.91 lakhs, respectively (based on Restated Financial Statements).

Assumptions for Working Capital requirements

Holding levels

Provided below are details of the holding levels (days, rounded-off) considered.

Particulars	As on March 31, 2017 (Actual)	As on March 31, 2018 (Actual)	Average Holding Period	As on March 31, 2019 (Assumed)
Current Assets				
Inventories	110	115	113	110
Trade Receivables	41	40	41	45
Short Term Loans and Advances	1.00	0.90	0.80	0.80
Other Current Assets	0.50	0.40	0.45	0.45
Current Liabilities				
Trade Payables	31	32	32	33
Other Current Liabilities	3	5	4	5

Justification for holding period levels

Particulars	Details
Current Assets	
Inventories	Inventories days are computed from the historic Restated Financial Statements. The distribution and trading industry is characterised by high inventory due to bulk purchase and ready finance to our suppliers. Further, we envisage that due to increase in our online portal sales along with increasing locational sales, we will be able to reduce our inventory storage marginally. Our Company estimates, Inventory level to be at 110 days for the financial year 2019-20.
Trade Receivables	Trade Receivables days are computed from the historic Restated Financial Statements and are adjusted for future estimates. Our Company has estimated the holding level for Trade Receivable as 45 days of revenue from operations for the Financial Year 2019-20, considering extension of higher credit period to increase customer base and to stay ahead of organised and unorganised competition.
Short Term Loans and Advances	Short Term Loans and Advances are computed from the historic Restated Financial Statements. Our Company has estimated the holding level for Short Term Loans & Advances as 0.80 day of revenue from operations for the Financial Year 2019-20 will be sufficient in future.
Other Current Assets	Other Current Assets are computed from the historic Restated Financial Statements. Our Company has estimated the holding level for other current assets as 0.45 day of revenue from operations for the Financial Year 2019-20.

Current Liabilities	
Trade Payables	Trade Payables are computed from the historic Restated Financial Statements. The average trade payables for the financial year 2017 and 2018 are approximately 30 days and our Company estimates the same to continue at a level of 33 days of the cost of goods sold for the Financial Year 2019-20. The marginal increase in the payment period to our suppliers will enable us manage our purchases better at the existing product rates.
Other Current Liabilities	Other Current Liabilities are computed from the historic Restated Financial Statements. Our Company has estimated the holding level of other current liabilities as 5 days of cost of goods sold for the Financial Year 2019-20. Our Company intends to make timely payments for various interest payments, current maturities and statutory payments.

Our Statutory Auditor has, pursuant to a certificate dated February 12, 2019, has compiled and certified the working capital calculations, estimations and requirements of our Company for the Financial Year 2019 – 20.

2) General Corporate Purpose

Our management will have flexibility to deploy ₹ [●], aggregating to [●]% of the Net Proceeds of the Issue towards general corporate purposes, including but not restricted to strategic initiatives, partnerships, joint ventures and acquisitions, meeting exigencies which our Company may face in the ordinary course of business, to renovate and refurbish certain of our existing Company owned/leased and operated facilities or premises, towards brand promotion activities or any other purposes as may be approved by our Board, subject to compliance with the necessary provisions of the Companies Act.

Our management, in accordance with the policies of the Board, will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that in terms of Regulation 230 (2) of the SEBI ICDR Regulations, the extent of the Net Proceeds according to this Draft Red Herring Prospectus, proposed to be used for general corporate purposes, shall not exceed 25% of the amount raised by our Company through the Issue of Equity Shares.

ISSUE RELATED EXPENSES

The total estimated Issue Expenses are ₹ [●], which is [●]% of the total Issue Size. The details of the Issue Expenses are tabulated below:

Sr. No.	Particulars	Amount (₹ in lakhs) ⁽¹⁾	% of Total Expenses ⁽¹⁾	% of Total Issue size ⁽¹⁾
1	Issue Management fees including fees and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	[●]	[●]%	[●]%
2	Brokerage and selling commission ⁽²⁾⁽³⁾⁽⁴⁾	[●]	[●]%	[●]%
3	Printing & Stationery, Distribution, Postage, etc.	[●]	[●]%	[●]%
4	Advertisement and Marketing Expenses	[●]	[●]%	[●]%
5	Stock Exchange Fees, Regulatory and other Expenses	[●]	[●]%	[●]%
Total		[●]	[●]%	[●]%

1) Will be incorporated at the time of filing of the Prospectus and on determination of Issue Price and other details.

2) Selling commission payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders, which are directly procured by the SCSBs would be as follows:

Portion for Retail Individual Bidders [#]	[●]% of the Amount Allotted (plus GST)
Portion for Non-Institutional Bidders [#]	[●]% of the Amount Allotted (plus GST)

[#] Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.

No additional uploading/processing charges shall be payable by the Company to the SCSBs on the Bid cum Application Forms directly procured by them. The selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the Bid book of BSE or NSE.

- 3) *Syndicate Members (including their sub-Syndicate members), Registered Brokers, RTAs and CDPs will be entitled to a commission of ₹ [●] (plus applicable GST) per valid Bid cum Application Form directly procured by them from Retail Individual Investors and Non-Institutional Bidders and submitted to the SCSBs for processing. The commission payable to them will be determined on the basis of the bidding terminal id as captured in the Bid Book of NSE.*
- 4) *Further SCSBs will be entitled to a processing fee of ₹ [●] (plus applicable GST), per valid ASBA Form, subject to total ASBA processing fees being maximum of ₹ [●] lakhs (plus applicable GST), for processing ASBA Forms procured by Members of the Syndicate (including their sub-Syndicate members), Registered Brokers, RTAs or CDPs for Retail Individual Bidders and Non-Institutional Bidders and submitted to the SCSBs for blocking of funds in the ASBA Accounts. In case the total ASBA processing charges payable to SCSBs exceeds ₹ [●] lakhs, the amount payable to SCSBs would be proportionately distributed based on the number of valid applications such that the total ASBA processing charges payable does not exceed ₹ [●] lakhs.*

The Issue expenses are estimated expenses and subject to change. The Issue expenses shall be payable within 30 working days post the date of receipt of the final invoice from the respective Intermediaries by our Company.

Appraisal and Bridge Loans

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds of the Issue.

Year wise Deployment of Funds / Schedule of Implementation

As on the date of this Draft Red Herring Prospectus, no funds have been deployed on these objects. The entire Issue size is proposed to be deployed in the Financial Year 2019 – 20.

Monitoring of Utilization of Funds

Since the proceeds from the Fresh Issue do not exceed ₹ 10,000 lakhs, in terms of Regulation 262 of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee will monitor the utilisation of the proceeds of the Issue. Our Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilised Net Proceeds in the balance sheet of our Company for the relevant fiscals subsequent to receipt of listing and trading approvals from the Stock Exchange.

Pursuant to the SEBI Listing Regulations, our Company shall disclose to the Audit Committee of the Board of Directors the uses and applications of the Net Proceeds. 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 of the Board of Directors, as required under applicable law. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with the Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchange on a half yearly basis, a statement indicating (i) deviations, if any, in the utilisation of the proceeds of the Issue from the objects of the Issue as stated above; and (ii) details of category wise variations in the utilisation of the proceeds from the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee of the Board of Directors.

Interim Use of Funds

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

Variation in Objects

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorised to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act. The notice in respect of such resolution to Shareholders shall simultaneously be published in the newspapers, one in English and one in Regional language of the jurisdiction where our Registered Office is situated. The Shareholders who do not agree to the above stated proposal, our Promoters or controlling Shareholders will be required to provide an exit opportunity to such dissenting Shareholders, at a price as may be prescribed by SEBI, in this regard.

Other Confirmations

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

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the BRLM, on the basis of the assessment of market demand for the offered Equity Shares by the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Offer Price is [●] times of the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Investors should also refer to the chapters titled “*Our Business*”, “*Risk Factors*” and “*Financial Statements*” on page nos. 99, 20 and 149, respectively, of this Draft Red Herring Prospectus to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for the Issue Price are:

- Management Expertise
- Wide Distribution Network & Geographical Reach
- Renowned Brand Agreements
- Established Marketing Set-up and Diversified Customer Base
- Wide range of products
- Long Standing Track Record with Banks & FIs
- High Entry Barriers
- Scalable Business Model

For more details on qualitative factors, refer to chapter “*Our Business*” on page no. 99 of this Draft Red Herring Prospectus.

Quantitative Factors

The information presented in this section for the period ended September 30, 2018 and Fiscal ended March 31, 2018, March 31, 2017, and March 31, 2016 is derived from our Restated Financial Statements. For more details on financial information, investors please refer the chapter titled “*Financial Statements*” on page no. 149, of this Draft Red Herring Prospectus.

Investors should evaluate our Company taking into consideration its earnings and based on its growth strategy. Some of the quantitative factors which may form the basis for computing the price are as follows:

1) Basic and Diluted Earnings / Loss Per Share (“EPS”)

Year ended March 31,	Basic & Diluted	
	EPS (in ₹) ⁽¹⁾	Weights
2018	21.27	3
2017	15.23	2
2016	7.46	1
Weighted Average	16.96	
For period ended September 30, 2018	9.48⁽²⁾	

⁽¹⁾ Based on Restated Financials of our Company

⁽²⁾ Not Annualised

Notes:

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

$$\text{Basic EPS (₹)} = \frac{\text{Net profit/ (loss) as restated, attributable to Equity Shareholders}}{\text{Weighted average number of Equity Shares outstanding during the year/period}}$$

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

$$\text{Diluted EPS (₹)} = \frac{\text{Net profit/ (loss) as restated, attributable to Equity Shareholders}}{\text{Diluted Weighted average number of Equity Shares outstanding during the year/period}}$$

- c. Basic and Diluted EPS calculations are in accordance with Accounting Standard 20 “Earnings per Share”, notified under section 133 of Companies Act, 2013 read together along with paragraph 7 of Companies (Accounting) Rules, 2014
- d. The above statement should be read in conjunction with Significant Accounting Policies and Notes to Restated Financial Statements as appearing in “Annexure IV & V - Financial Information” beginning on page no. 149 Draft Red Herring Prospectus.

2) **Price Earnings Ratio (“P/E”) in relation to the Price Band of ₹ [●] to ₹ [●] per share of ₹ 10 each**

Particulars	P/E at Floor Price	P/E at Cap Price
P/E ratio based on Basic and Diluted EPS as at March 31, 2018	[●]	[●]
P/E ratio based on Weighted Average EPS	[●]	[●]

Industry P/E ⁽¹⁾	
Highest – Grandeur Products Ltd.	142.2
Lowest – Competent Automobiles Co. Ltd.	1.4
Industry Average	33.6

⁽¹⁾ Source: Capital Market, Vol. XXXIII/25, Jan 28 – Feb 10, 2019; Segment: Trading

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

Year ended March 31,	RoNW (%)	Weight
2018	39.12%	3
2017	44.37%	2
2016	42.27%	1
Weighted Average	41.39%	
For the six period ended September 30, 2018	14.84%⁽¹⁾	

⁽¹⁾ Not Annualised

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

$$\text{RoNW} = \frac{\text{Net profit/loss after tax, as restated}}{\text{Net worth excluding preference share capital and revaluation reserve}}$$

4) **Minimum Return on Net Worth after Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2018**

The minimum return on increased net worth i.e. after Issue, required to maintain pre-Issue Basic / Diluted EPS of ₹ 21.27 for the F.Y. 2017-18 is [●].

Note:

Net worth is the sum of the share capital, the reserves and the surplus less miscellaneous expenditure not written off.

5) **Net Asset Value (NAV)**

Financial Year	NAV (₹)
NAV as at March 31, 2018	326.19 ⁽¹⁾
NAV as at September 30, 2018	63.18
NAV after Issue	[●]
Issue Price (₹)	[●]

⁽¹⁾ As on March 31, 2018 the Company's paid-up equity capital consists of 24,89,000 fully paid up equity shares of face value ₹ 10/- each. Our Company had allotted 1,24,45,000 bonus shares on June 12, 2018 in the ratio of 5:1. Hence the pre-offer NAV as on March 31, 2018 should be read as ₹ 54.37 per share after adjusting for this event.

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

$$\text{NAV} = \frac{\text{Net worth excluding preference share capital and revaluation reserve}}{\text{Outstanding number of Equity shares at the end of the year}}$$

6) Comparison with Industry Peers

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

Name of the Company	EPS	Face Value (₹)	P/E Ratio ⁽²⁾	RoNW (%) ⁽⁴⁾	NAV Per Share (₹) ⁽⁵⁾
Peer Group⁽¹⁾					
Redington India Ltd.	4.60	5.00	31.88	10.88%	42.22
Khemani Distributors & Marketing Ltd.	2.58	5.00	63.95	8.51%	30.29
<i>Source: Financial Results / Annual Report of the Company filed with the Stock Exchanges</i>					
The Company					
JSK Marketing Limited	21.27	10	[●] ⁽³⁾	39.12%	326.19 ⁽⁶⁾
<i>Source: Restated Financials of the Company as disclosed on page no. 149 of this Draft Red Herring Prospectus.</i>					

Note:

- 1) The peer group figures based on audited standalone financials as on and for the year ended March 31, 2018.
- 2) P/E figures for the peer is computed based on closing market price as on March 31, 2018, of relevant peer companies as available at BSE, (available at www.bseindia.com) divided by Basic EPS for FY 18 reported in the filings made with stock exchanges.
- 3) Based on the Issue Price to be determined on conclusion of book building process and the basic EPS of our Company
- 4) Return on net worth (%) = Net profit after tax * 100 / Net worth at the end of the year
- 5) Net Asset value per share = Net worth at the end of the year / No. of shares outstanding at the end of year
- 6) As on March 31, 2018 the Company's paid-up equity capital consists of 24,89,000 fully paid up equity shares of face value ₹ 10/- each. Our Company had allotted 1,24,45,000 bonus shares on June 12, 2018 in the ratio of 5:1. Hence the pre-offer NAV as on March 31, 2018 should be read as ₹ 54.37 per share after adjusting for this event.
- 7) The Floor Price of ₹ [●] and the Cap Price of ₹ [●] has been determined by our Company in consultation with the Book Running Lead Manager on the basis of the assessment of market demand from investors for the Equity Shares determined through the Book Building Process and is justified based on the above qualitative and quantitative parameters. Investor should read the above mentioned information along with the section titled "Risk Factors" on page no. 20 of this Draft Red Herring Prospectus and the financials of our Company including important profitability and return ratios, as set out in the section titled "Financial Statements" on page no. 149 of this Draft Red Herring Prospectus. The trading price of the Equity Shares could decline due to the factors mentioned in section titled "Risk Factors" on page no. 20 of this Draft Red Herring Prospectus and an investor may lose all or part of his investment.

STATEMENT OF TAX BENEFITS

**The Board of Directors,
JSK Marketing Limited**
403-405, Sumer Kendra Co-Op Society Ltd,
4th Floor, Behind Mahindra Tower,
Pandurang Budhkar Marg, Worli,
Mumbai – 400 018

Dear Sirs,

Subject: Statement of possible special tax benefits available to JSK Marketing Limited (“the Company”) and shareholders prepared in accordance with applicable requirements of the SEBI (ICDR) Regulations, 2018 (“SEBI ICDR Regulations”)

We hereby report that the accompanying Statement states the possible special tax benefits available to the Company and shareholders of the Company (hereinafter referred to as “**the Statement**”) under the Income Tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2018 presently in force in India (together referred to as the “**Direct Tax Laws**”) and The Goods and Service Tax Act, 2017 & Customs Act, 1962 (read with rules, circulars, notifications) presently in force in India (together referred to as the “**Indirect Tax Laws**”).

These possible special tax benefits are dependent on the Company and / or the Company’s shareholders fulfilling the conditions prescribed under the relevant Tax Laws, Indirect Tax Laws and other laws. Hence, the ability of the Company or the Company’s shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company or the Company’s shareholders may or may not choose to fulfil. Our Company does not have any Material Subsidiary as on date of this Draft Red Herring Prospectus.

The benefits discussed in the enclosed Statement are not exhaustive and only cover the possible special direct and indirect tax benefits available to the Company and the Company’s shareholders. The Statement is neither designed nor intended to be a substitute for professional tax advice and each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares of the Company.

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

- a) the Company or its shareholders will continue to obtain these possible special tax benefits in future; or
- b) the conditions prescribed for availing the possible special tax benefits, where applicable, have been/would be met with; and

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

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

We conducted our examination in accordance with the “Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)” (“**Guidance Note**”) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We hereby give consent to include this Statement in the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus in connection with the proposed initial public offering of the Company.

Yours faithfully,

**For M/s. SSRV & Associates,
Chartered Accountants**
(Firm Registration No. 135901W)

Vishnukant Kabra
(M. No.: 403437)
Partner
Date: February 12, 2019
Place: Mumbai
Encl: a/a

Annexure

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND COMPANY'S SHAREHOLDERS

Outlined below are the possible special tax benefits available to JSK Marketing Limited (“the Company”) and to its Shareholders under the direct and indirect Tax Laws in force in India.

A. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

1. Direct Tax

There are no special direct tax benefits available the Company.

2. Indirect Tax

There are no special indirect tax benefits available the Company.

B. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS OF THE COMPANY

1. Direct Tax

There are no special direct tax benefits available the Company.

2. Indirect Tax

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There are no special indirect tax benefits available the Company.

SECTION VI – ABOUT THE COMPANY

INDUSTRY OVERVIEW

Unless noted otherwise, the information in this section has been obtained or derived from “IRR Advisory Services Private Limited (IRR Advisory)” vide their Report dated January 31, 2019. Neither the Company nor the BRLM or any other person connected with the Issue has independently verified this Information, their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. IRR Advisory has taken due care and caution in preparing this Report based on the information obtained by IRR Advisory from sources which it considers reliable (Data). However, IRR Advisory 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 company covered in the Report and no part of this Report should be construed as on expert advice or investment advice or any form of investment banking within the meaning of any law or regulations. IRR Advisory especially states that it has no financial 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 IRR Advisory providing or intending to provide any services in jurisdictions where IRR Advisory does not have the necessary permission and/or registration to carry out its business activities in this regard. The Company will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. No part of this Report may be published / reproduced in any form without IRR Advisory’s prior written approval.

OVERVIEW OF GLOBAL ECONOMY

Global economy is projected to grow at 3.5% in 2019 and 3.6% in 2020 as per International Monetary Fund’s (IMF) World Economic Outlook, January 2019. The downward revision is impacted due to the series of events like the negative effects of tariff increases enacted in the United States and China earlier in 2018, the introduction of new automobile fuel emission standards in Germany, Italy’s concerns about sovereign and weakening financial market sentiments in Turkey. The ‘no-deal’ withdrawal of the United Kingdom from the European Union and a greater-than- envisaged slowdown in China are the potential triggers which would risk the global growth tilt to the downside.

World Economic Outlook			Projections (%)	
Name of the country/ Economy	2017	2018	2019	2020
World Output	3.8	3.7	3.5	3.6
Advanced Economies				
United States	2.2	2.9	2.5	1.8
Germany	2.5	1.5	1.3	1.6
France	2.3	1.5	1.5	1.6
Italy	1.6	1.0	0.6	0.9
Spain	3.0	2.5	2.2	1.9
Japan	1.9	0.9	1.1	0.5
UK	1.8	1.4	1.5	1.6
Canada	3.0	2.1	1.9	1.9
Emerging Markets and Developing Economies				
Russia	1.5	1.7	1.6	1.7
China	6.9	6.6	6.2	6.2
India	6.7	7.3	7.5	7.7
ASEAN-5*	5.3	5.2	5.1	5.2
Latin American and the Caribbean	1.3	1.1	2.0	2.5
Brazil	1.1	1.3	2.5	2.2
Mexico	2.1	2.1	2.1	2.2
Middle East, North Africa, Afghanistan and Pakistan	2.2	2.4	2.4	3.0
Saudi Arabia	-0.9	2.3	1.8	2.1
Nigeria	0.8	1.9	2.0	2.2
South Africa	1.3	0.8	1.4	1.7
Low-Income Developing Economies				

* includes Indonesia, Malaysia, Philippines, Thailand and Vietnam

Source: IMF World Economic Outlook, January 2019

Global growth moderated in the first half of 2018, with negative surprises to activity in several large advanced economies. After rapid growth in 2017, world trade volumes and industrial production have slowed and some high-frequency indicators have softened. Weakness in the second half of 2018 will carry over to coming quarters with global growth projected to decline to 3.5% in 2019 before picking up slightly to 3.6% in 2020. Key highlights include:

- Growth in emerging and developing Asia will dip from 6.5% in 2018 to 6.3% in 2019 and 6.4% in 2020. Despite fiscal stimulus that offsets some of the impact of higher US tariffs, China's economy will slow due to the combined influence of needed financial regulatory tightening and trade tensions with the United States. India's economy is poised to pick up in 2019, benefiting from lower oil prices and a slower pace of monetary tightening than previously expected, as inflation pressures ease.
- Growth in emerging and developing Europe in 2019 is expected to weaken from 3.8% in 2018 to reach 3.1% in 2019 despite generally buoyant growth in Central and Eastern Europe, before recovering to 2.4% in 2020. The revisions are due to a large projected contraction in 2019 and a slower recovery in 2020 in Turkey, amid policy tightening and adjustment to more restrictive external financing conditions.
- In Latin America, growth is projected to recover over the next two years, from 1.1% in 2018 to 2.0% in 2019 and 2.5% in 2020. The revisions are due to a downgrade in Mexico's growth prospects reflecting lower private investment and an even more severe contraction in Venezuela than previously anticipated. The downgrades are only partially offset by an upward revision for Brazil, where the gradual recovery from the 2015-16 recession is expected to continue. Argentina's economy will contract in 2019 as tighter policies aimed at reducing imbalances slow domestic demand, before returning to growth in 2020.
- Growth in the Middle East, North Africa, Afghanistan, and Pakistan region is expected to remain subdued at 2.4% in 2019 before recovering to about 3% in 2020. Multiple factors weigh on the region's outlook including weak oil output growth which offsets an expected pickup in non-oil activity (Saudi Arabia); tightening financing conditions (Pakistan); US sanctions (Iran) and across several economies, geopolitical tensions.
- In sub-Saharan Africa, growth is expected to pick up from 2.9% in 2018 to 3.5% in 2019, and 3.6% in 2020. For both years the projection is 0.3% point lower than last October's World Economic Outlook projection, as softening oil prices have caused downward revisions for Angola and Nigeria. The headline numbers for the region mask significant variation in performance, with over one-third of sub-Saharan economies expected to grow above 5 percent in 2019-20.

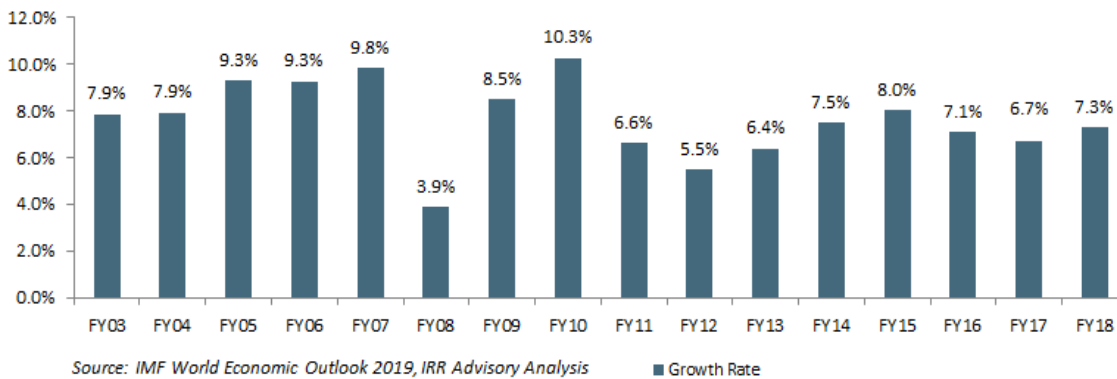
International Monetary Fund's (IMF) World Economic Outlook, January 2019 states that crude oil prices have been volatile since August reflecting supply influences, including US policy on Iranian oil exports and fears of softening global demand. As of early January, crude oil prices stood at around USD55 a barrel and markets expected prices to remain broadly at that level over the next 4–5 years. Prices of metals and agricultural commodities have softened slightly since August due to subdued demand from China. Consumer price inflation has generally remained contained in recent months in advanced economies but has inched up in the United States, where above-trend growth continues. Among emerging market economies, inflationary pressures are easing with the drop in oil prices. For some, this easing has been partially offset by the pass through of currency depreciations to domestic prices.

Emerging market economies experienced net capital outflows in the third quarter of 2018. As of early January, the US dollar remains broadly unchanged in real effective terms relative to September, the euro has weakened by about 2% amid slower growth and concerns about Italy, and the pound has depreciated about 2% as Brexit-related uncertainty increased. In contrast, the Japanese yen has appreciated by about 3% on higher risk aversion. Several emerging market currencies—including the Turkish lira, the Argentine peso, the Brazilian real, the South African rand, the Indian rupee and the Indonesian rupiah - have staged recoveries from their 2018 valuation lows last August-September.

OVERVIEW OF INDIAN ECONOMY

India, the world's third largest economy in terms of its PPP (purchasing power parity) and population of over 1.3bn, has witnessed significant economic growth since the country was liberalized in early 1990s. Industrial deregulation, divestment of state-owned enterprises, and reduced Governmental controls on foreign trade and investment, served to accelerate the country's growth and India has posted an average of 7.0% GDP growth since beginning of this millennium.

India's GDP Growth Rate (%)



India Ratings and Research (Ind-Ra) expects GDP growth to be only marginally higher at 7.5% in FY20. Post demonetisation and GST implementation, the agency had expected FY19 to be a year of quick recovery. Indeed, the recovery has been sharp as Central Statistical Office's (CSO) advance estimate has pegged the FY19 GDP growth at 7.2% (FY18: 6.7%). Although the agency had expected FY19 to also set the tone for GDP growth in FY20 and thereafter, the global headwinds because of an abrupt rise in crude oil prices, strengthening of USD and rising trade friction have been quite unsettling for the Indian economy. The headwinds especially from crude oil prices have slowed down lately, but the risk persists. Furthermore, the frequent revisions in GST rates, continued agrarian distress, slow progress on Insolvency and Bankruptcy Code cases, liquidity crunch faced by non-banking finance companies post IL&FS saga do not augur well for the economy as we enter into a new fiscal year.

The four GDP growth drivers from the demand side are private final consumption expenditure (PFCE), government final consumption expenditure (GFCE), gross fixed capital formation (GFCF) and net exports (NE). In the last few years, only PFCE and GFCE have demonstrated sustained and robust growth. Ind-Ra expects recalibration among the growth drivers to continue and GDP growth to become more evenly balanced in FY20. In view of moderate inflation and favourable demographics, Ind-Ra expects PFCE, the largest component of aggregate demand, to grow at 7.3% in FY20. A large number of people are entering the working force every year due to the demographic composition. Assuming that only a fraction of them gets gainful employment; the numbers are still staggering, resulting in a significant impact on consumption demand. Also, middle class in India is expected to grow to 33% of the total population by FY20 (FY10: about 11%), fuelling consumption demand growth. However, in view of the ongoing agrarian distress, consumption demand is more pronounced in the urban areas and likely to be so even in FY20. Also, one-time support to consumption demand in FY20 may come from election-related expenditure.

Ind-Ra expects GFCE to grow at 10.8% in FY20. Given the size of the government and government machinery, a significant proportion of demand in the economy gets created/generated on account of government expenditure. Also, governments across the globe have been found to step up their expenditure, if the need arises, to boost the aggregate demand in the economy. As a result, GFCE grew at an average 9.3% during FY15-FY18 and according to CSO's advanced estimate it is expected to grow at 9.2% in FY19.

Economic Outlook FY20

(% change, yoy)	FY14	FY15	FY16	FY17	FY18	FY19	FY20
GVA at FY12 prices	6.1	7.2	8.1	7.1	6.5	7.0	7.3
- Agriculture	5.6	-0.2	0.6	6.3	3.4	3.8	3.0
- Industry	3.8	7.0	9.8	6.8	5.5	7.8	7.4
- Services	7.7	9.8	9.6	7.5	7.9	7.3	8.3
Real GDP	6.4	7.4	8.2	7.1	6.7	7.2	7.5
- PFCE	7.3	6.4	7.4	7.3	6.6	6.4	7.3
- GFCE	0.6	7.6	6.8	12.2	10.9	9.2	10.8
- GFCF	1.6	2.6	5.2	10.1	7.6	12.2	10.3
Nominal GDP	13.0	11.0	10.4	10.8	10.1	12.3	11.3
Average wholesale inflation	5.2	1.3	-3.7	1.7	2.9	4.9	3.4
Average retail inflation	9.4	5.9	4.9	4.5	3.6	3.5	4.3
Year-end interest rate (10-yr G-sec)	8.8	7.8	7.5	6.7	7.4	7.5-7.6	7.3-7.4
Average exchange rate (INR/USD)	60.50	61.14	65.47	67.07	64.45	69.79	71.36
Fiscal deficit (central government, % of GDP)	4.4	4.0	3.9	3.5	3.5	3.5	3.3
Current account deficit (% of GDP)	1.7	1.3	1.1	0.6	1.9	2.4	1.9

Source: Ind-Ra, Union Budget, CSO, RBI

Ind-Ra expects investments as measured by GFCF to grow at 10.3% in FY20, lower than 12.2% in FY19. Though the average investment growth witnessed during FY17-FY19 at 10.0% is quite healthy compared to the average investment growth of 3.1% during FY14-FY16, it is nowhere close to the investment growth of 16.2% witnessed during FY04-FY08. Moreover, this has been primarily driven by government capex, as incremental private corporate capex has yet to revive.

Although the Indian economy has largely been driven by domestic demand, external demand has played a vital role in pushing the GDP growth during FY04-FY10. The share of exports (goods and services) in India's GDP had increased to 25.2% in FY14 from 12.8% in FY01 but declined thereafter to 20.2% in FY18. With exports growth likely to remain in double digits, Ind-Ra expects their share (goods and services) in India's GDP to rise to 23.4% in FY20. However, the worrisome feature of the recent exports growth is high variability across months and the likely slowdown in global growth. Moreover, the continued trade frictions arising due to US actions and counter actions by the affected countries do not augur well for India's exports. Lack of global demand has been chiefly responsible for the decline/low growth in merchandise exports during FY16 and FY17.

From the supply side, all major sectors namely agriculture, industry and services are expected to contribute to FY20 gross value added (GVA) growth. However, key support to the GVA growth is expected to come from services, followed by industry at 8.3% and 7.4%, respectively, in FY20. Under normal monsoon agricultural GVA is expected to grow at 3.0%. All this would translate into overall GVA growth of 7.3% in FY20 compared 7.0% in FY19.

The overall pressure on wholesale/retail inflation is likely to remain benign, subject to normal monsoon and Indian crude oil basket averaging about USD55/barrel. Ind-Ra under the aforesaid assumption expects inflation based on the Wholesale Price Index and Consumer Price Index to come in at 3.4% and 4.3%, respectively, in FY20 (FY19: 4.9% and 3.5%). Food and crude oil prices are the two key factors driving inflation. In FY19, a spurt in crude oil price and the government's announcement to fix minimum support price (MSP) of all crops at 1.5x of the production cost (A2+FL) appeared to threaten this benign inflation trajectory. However, these threats have blown over with the cooling off of crude oil prices and the rise in MSP having negligible impact on market prices. The latter though has given rise to a different problem, leading to a depressed farm income/rural demand.

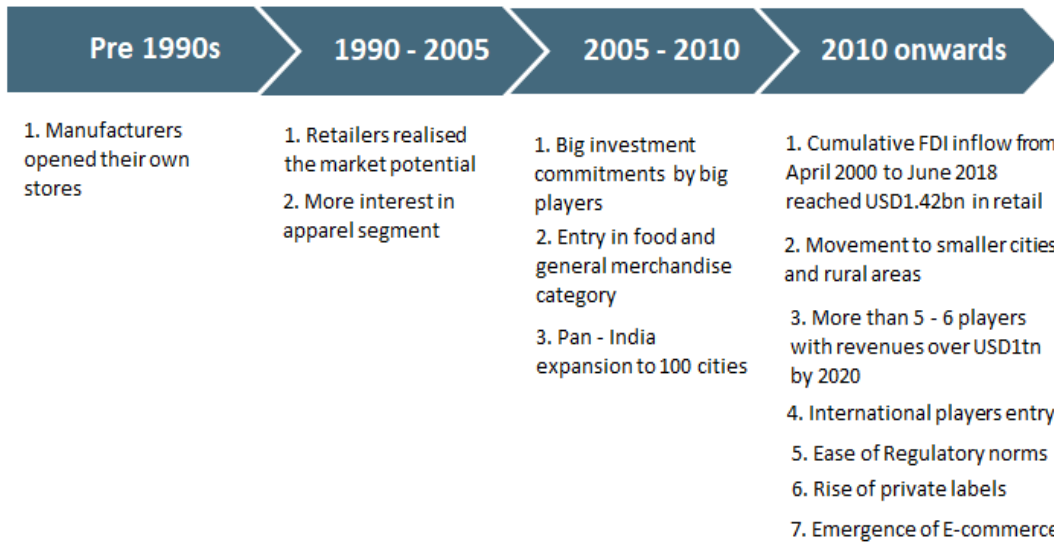
India now stands at a critical juncture. It needs massive investments to create the jobs, housing, and infrastructure to meet its people's aspirations. Government of India (GoI) has set development of infrastructure sector as one of the prime objective to accelerate the growth momentum and has initiated a host of bold new initiatives to address these and other challenges. For instance, the country's flagship 'Skill India' initiative seeks to equip India's growing young workforce with the skills needed to compete in today's rapidly changing work place. The skills program is complemented by the 'Make in India' initiative, as well as with efforts to ease the process of doing business. The Smart Cities and Atal Mission for Rejuvenation and Urban Transportation (AMRUT) programs focus on creating dynamic urban centres in towns and cities across the country. Thus, India's GDP is expected to reach USD 6 tn by FY 27 and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics, and reforms.

OVERVIEW OF THE RETAIL MARKET IN INDIA

Introduction

Among the world economies, Indian retail market has been growing at a fastest pace. It is among the top 5 retail markets in the world by economic value. Gone are the days when retailing was majorly done by traditional owner manned shops. There is a radical shift in the retail format in India from traditional shops to large multi-format stores and on to technology driven e-commerce model. The entry of new foreign players are also changing the dynamics of retail game in India, enabling a consumer to choose from a wide variety of options available. Retailing is evolving from the brick-and-mortar model to click-and-mortar formats in India. Rapid urbanisation, digitisation, rising disposable incomes and lifestyle changes are boosting the retail sector which is pegged at USD 672 bn as of 2017. The retail industry is projected to grow to reach USD 1,200 bn by 2021 on the grounds of the ever-growing consumer demands.

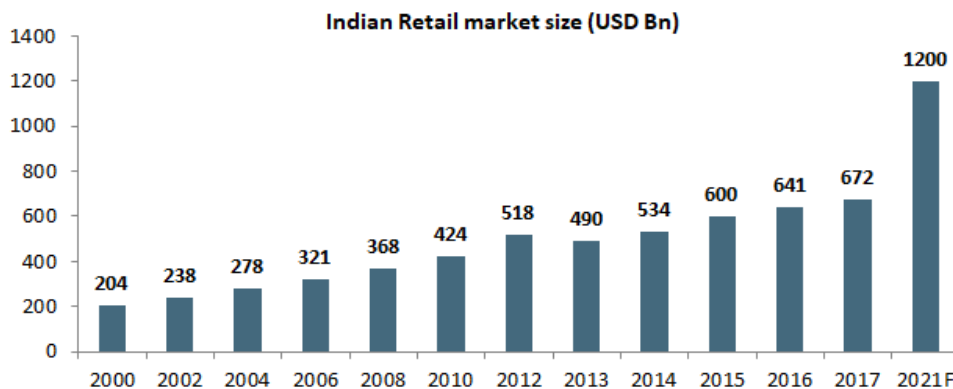
The evolution of Retail market in India over the years can be depicted in the chart below:



Source: Media reports

Indian Retail market size

Total consumption expenditure in India is expected to expand from USD 1,824 bn in 2017 to reach nearly USD 3,600 bn by 2020. According to Industry reports, Indian Retail market is pegged at USD 672 bn as of 2017 constituting over 10% of the country's Gross Domestic Product (GDP) and around 8% of the employment. IRR Advisory estimates it to grow at a CAGR of 15.6% to reach USD 1,200 bn by 2021.

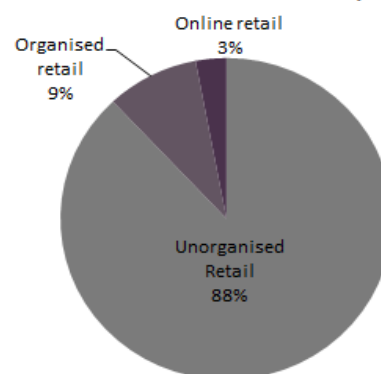


Source: Industry reports

Classification of Indian Retail Industry

The Indian retail industry can broadly be broadly classified into two categories - Organized and Unorganized. Organised Retail is the licensed retailers who are registered to pay taxes to the government. Unorganized Retail refers to the traditional form of retail which is characterized by low rentals, low tax payouts with a majority of it being owner managed and employing personal capital. Example of unorganized retail includes conventional kirana shops, general stores, mom-&-pop stores and other small retail outlets. As of 2017, unorganised retail constitutes 88%, organized retail constitutes approximately 9% and online retail constitutes around 3% of the total retail market in India. Industry reports estimate that by 2021 traditional retail will hold a share of 75%, organised retail share will reach 18% and e-commerce retail share will reach 7% of the total retail market. The fact that

Indian Retail market - USD672bn (as of 2017)



Source: Industry reports

currently 88% of the retail space is unorganised underscores the huge latent potential that remains to be explored by organised players in India.

Online retail market in India has grown by leaps and bounds in the last decade owing to the internet revolution in India. As per Media reports, online retail market in India is estimated to be worth USD32bn in terms of gross merchandise value (GMV) as of Dec 2018. By 2022, the sector will be worth USD75bn growing ~25% CAGR from USD32bn in 2018.. Increasing Internet penetration, rise in Smartphone usage, new mobile technologies, entry of new global players, rise of millennial consumers and digital payment systems would foster the growth story of online retail market in India. The fact that India’s online retail market is at a lower base (making up just 3% of overall retail share) than in the US or China; gives India immense growth opportunity in the years to come.

Urban – Rural Retail Share

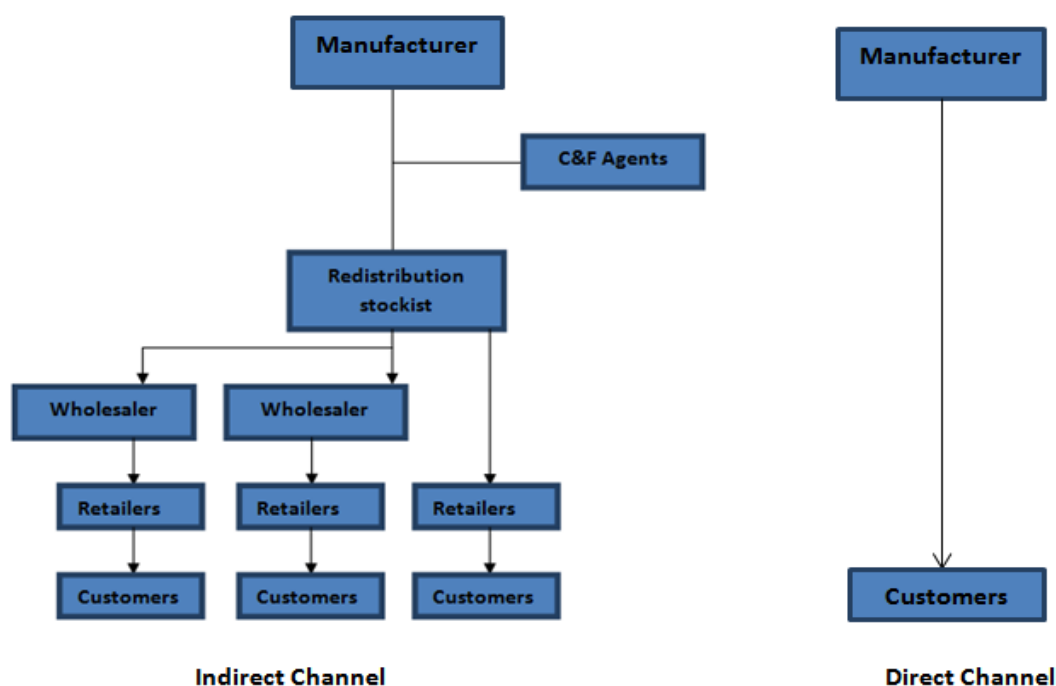
According to World Bank, 33.6% of population of India as of 2017 lives in cities which will increase to 40% by 2030. The urban population of India is responsible for half of the retail consumption in the country. This is because of high disposable income in cities, rising aspirations and increasing penetration of organized retail in tier 1 & tier 2 cities. According to World Economic Forum 2019 report, rural per capita consumption will grow to 4.3 times of current consumption as compared to 3.5 times in urban India by 2030. Rural consumption rose by 9.7% while urban spending grew at 8.6% in FY18. The urban-rural divide of per capita consumption is expected to diminish significantly by 2030.

TYPES OF THE DISTRIBUTION CHANNELS IN INDIA

There are direct and indirect channels of distribution in the retail market adopted in India. Direct channels involve the distribution of products directly by the producer himself without the use of the intermediaries. Some producers do this by combining production and distribution which are two different functions. However, direct distribution requires heavy investment. It also has limited reach and requires additional managerial responsibility in the process.

On the other hand, indirect channel means distribution of goods through intermediaries. Traditionally goods are supplied by the producer to a wholesaler which further distributes goods in smaller parts to retailers which finally sell it to the consumers.

Producers primarily prefer indirect channel to avoid the trouble of distribution function in direct channel like heavy investment requirement in channel development and difficulty to reach and market products in remote areas. Most of the Indian manufacturers use a selling and distribution structure that has evolved over the years. This structure includes Redistribution Stockists, Wholesalers, and Retailers which can be demonstrated in the following way:



Indian consumers are serviced by an efficient but highly fragmented trade system consisting of retail and wholesale outlets spread over many urban and rural population centres which is expanding significantly. India has the highest retail outlet density in the world but most of these stores are very small in size and unorganized. The total number of retail distribution outlets in the country is over 12mn which are mostly family owned businesses.

Companies are improving their distribution logistics to address a highly competitive market. In urban areas, the more enterprising retailers provide credit and home-delivery. With the advent of shopping malls, companies talk of direct delivery and discounts for large retail outlets. This has led to the emergence of independent distribution and logistics agencies to handle this function. Companies are increasingly outsourcing some of the important functions in the distribution and logistics areas to courier and logistics companies and searching for more efficient ways to reach the consumer. For example, nowadays companies are using personalized marketing where Internet software allows companies to identify the physical locations customers are signing in from, keep records of customers' transactions with them and use tracking cookies to learn about consumer's other shopping interests. With this data, a website can personalize a visitor's experience by showing them a customized page, featuring their language preference and products and offers they are more likely to be interested in. Many organized brick and mortar players like Shoppers Stop are using online portal to reach their customer using an Omni-channel strategy of distribution. Same is the case with online players like Lenskart who are concentrating on opening retail shops to reach more number of customers. Therefore, we believe that synergy between online and offline distribution would be effective in the success of retail market in the future.

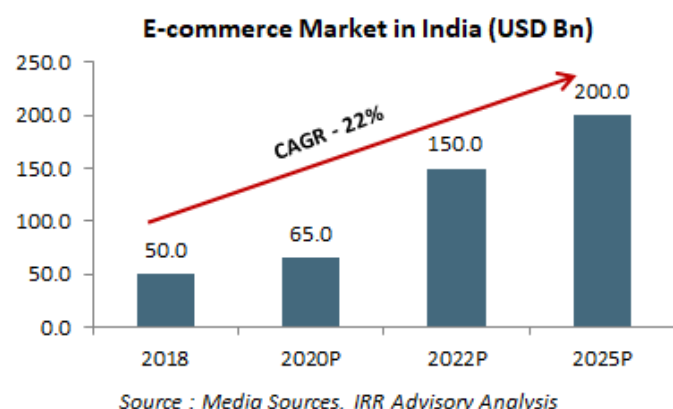
OVERVIEW OF THE E-COMMERCE INDUSTRY IN INDIA

Introduction

E-commerce is the activity of buying or selling of products on online services or over the Internet. Electronic commerce draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange (EDI), inventory management systems and automated data collection systems. India has the fastest growing E-commerce market among the top global economies. It has been on an upward growth trajectory and is expected to surpass the US to become the second largest E-commerce market in the world by 2030. Increasing Internet penetration, rise in Smartphone usage, new mobile technologies, entry of new global players, rise of millennial consumers and digital payment systems is supporting the growth story of E-commerce market in India. The recent rise in digital literacy has led to an influx of investment in E-commerce firms.

Market Size

The E-commerce market is currently pegged at USD 50 bn as of December 2018. IRR Advisory estimates it to grow at a CAGR of 22% to reach USD 200 bn by 2025. The ongoing digital transformation in the country is expected to increase India's total internet user base from 512 mn in 2018 to 850 mn by 2022. According to the data released by Reserve Bank of India (RBI) and the National Payments Corporation of India (NPCI); as of Sept 2018, the number of digital transactions stood at about 11.8 bn (of which Debit and credit card transactions on POS were at 2.9 bn, followed by mobile wallets at 2.1 bn and UPI at 1.5 bn). Each month, India is adding around 10 mn daily active internet users to the internet community supporting the ecommerce industry which is the highest rate in the world. E-tail and E-travel are the dominant sectors in the Indian E-commerce marketplace model. Also, the fastest-growing segment in e-commerce business is online financial services; favoured due to an increase in the number of start-ups promoting digital transactions for money transfers. India also has ~25% penetration in online financial transactions currently.



Recent Investments in E-commerce space

E-commerce industry in India witnessed 21 private equity and venture capital deals worth USD 2.1 bn in 2017 and 40 deals worth USD 1,129 mn in the first half of 2018. Some of the major developments in the Indian e-commerce sector are as follows:

- Paytm has launched its bank i.e Paytm Payment Bank. Paytm Payment Bank is India's first bank with zero charges on online transactions, no minimum balance requirement and free virtual debit card.
- Flipkart, after getting acquired by Walmart for USD16bn is expected to launch more offline retail stores in India to promote private labels in segments such as fashion and electronics. In September 2018, Flipkart acquired Israel based Analytics start-up Upstream Commerce that will help the firm to price and position its products in an efficient way.
- Google and Tata Trust have collaborated for the project 'Internet Saathi' to improve internet penetration among rural women in India.

Government initiatives in Indian E-commerce

The GoI has been actively supporting the E-commerce sector of India. Since 2014, the GoI has announced various initiatives namely Digital India, Make in India, Start-up India, Skill India and Innovation Fund. Some of the major initiatives taken by the government to promote the e-commerce sector in India are as follows:

- In India 100% FDI is permitted in B2B E-commerce; however no FDI is permitted in B2C E-commerce earlier. As per these new guidelines on FDI in E-commerce, 100% FDI under automatic route is permitted in marketplace model of E-commerce, while FDI is not permitted in inventory based model of E-commerce.
- RBI now allows 'inter-operability' among Prepaid Payment Instruments (PPIs) such as digital wallets, prepaid cash coupons and prepaid telephone top-up cards. The RBI has also instructed banks and companies to make all know-your-customer (KYC)-compliant PPIs like mobile wallets, interoperable amongst themselves via Unified Payments Interface (UPI).
- In the Union Budget of 2018-19, government has allocated INR 80,000 mn (USD 1.24 bn) to BharatNet Project to provide broadband services to 150,000 gram panchayats.
- The Indian government under the portfolio of Finance Ministry has approved the creation of a 'Government e-Marketplace' (GeM) through the department of Directorate General Supply and Disposal (DGS&D) for government purchases. The platform will be used to host the common used goods and services for government employees.
- GoI under the Ministry of Women and Child development launched an E-commerce portal for women entrepreneurs known as 'Mahila e-haat'. This portal allows women to enlist and showcase their products online without any additional cost.
- The GoI is working on the second draft of E-commerce policy. The new E-commerce policy could entail provisions for a Regulator in the sector dominated by U.S. tech giant Amazon.com and home-grown Flipkart.
- The GoI launched an E-Commerce portal called TRIFED and a portal called 'Tribes India', which will enable 55,000 tribal artisans get access to international markets.
- The Indian Space Research Organization (ISRO) has announced to launch three more satellites aiding the government's Digital India programme to improve bandwidth connectivity to rural India.
- 'Udaan' is a B2B online trade platform to connect small and medium size manufacturers and wholesalers with online retailers and also provide them logistics, payments and technology support. The platform has sellers in over 80 cities of India and delivers to over 500 cities.

New guidelines on FDI in E-commerce

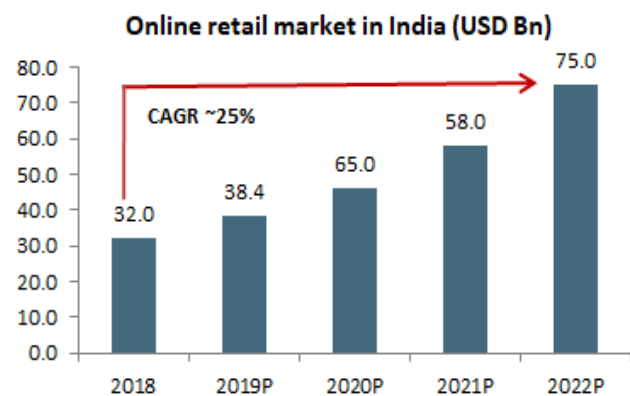
Offline traders are finding it difficult to sustain in the current market dominated by new online players. They have been complaining that e-commerce platforms with access to FDI are able to give deep discounts and other incentives through related-party vendors, which they cannot match. The Department of Industrial Policy & Promotion (DIPP) updated guidelines on the functioning of an e-commerce marketplace. The new norms bar exclusive tie-ups between e-commerce firms that follow the marketplace model and vendors using their platform. In a marketplace model, the e-commerce firm is not allowed to directly or indirectly influence the sale price of goods or services, and is required to offer a level playing field to all vendors. To emphasise this point, the new norms said cash back or services, such as quick delivery, offered by e-tailers have to be applicable to all vendors on their platforms. It also said that if a vendor sells more than 25% of its wares through an e-commerce marketplace, the latter will be deemed to have an inventory model, in which FDI is not allowed. The 25% cap was there earlier, but the onus of ensuring it, is now firmly on the e-commerce platform, so that it does not find itself on the wrong side of the law. It further said that e-commerce firms will be barred from selling wares of related parties on the inventory, of which it has a say. The changes are significant as its enforcement will affect the flexibility that e-commerce platforms had in doing business and force them to be neutral to all vendors.

Impact of the new FDI guidelines on E-commerce firms

E-commerce companies such as Amazon and Flipkart have been luring customers with deep discounts and exclusive offerings. The bar on such firms' influencing pricing and mandating vendors to sell exclusively on their platforms may have a major impact on customer behaviour. Most customers shop online for deep discounts and exclusive offerings, which may not be available on other online platforms or in offline stores. This will, in turn, have an impact on the revenue and growth of e-commerce companies in India. Over the last few years; companies such as Flipkart, Myntra and Amazon India, among others, have been introducing private label/in-house brands to garner more customers through exclusive offerings at lower costs and higher margins, so that their path to profitability is shorter and smoother. The profitability target of these companies may now take a big hit. Also, the bar on e-commerce companies from selling products from entities they have a stake in, could affect Amazon because it has a stake in its two major seller entities, Cloudtail (a 49:51 joint venture between Amazon Asia and NR Narayana Murthy's Catamaran Ventures) and Appario.

SIZE OF THE ONLINE RETAIL MARKET IN INDIA

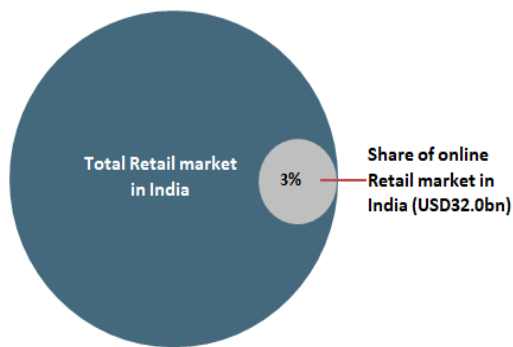
The Online retail market in India has grown substantially in the past 5 years. As per Media reports, online retail market in India is estimated to be worth USD32bn in terms of gross merchandise value (GMV) as of Dec 2018. By 2022, the sector will be worth USD75bn growing ~25% CAGR from USD32bn in 2018. Combinations of factors have attributed to the growth story of the online retail markets in India including growing internet and smartphone usage, increasing awareness of online shopping, demographics—the country's young population and burgeoning middle class, evolving business strategy by market leaders like Amazon and Flipkart and large investments flowing into the sector. However, India's growth rate in e-commerce is yet to catch up with countries such as China and Indonesia in the Asia Pacific market.



Source : Media Sources, IRR Advisory Analysis

The Online retail market in India is estimated to contribute ~3% of the total retail market in 2018. However, this is expected to change in the coming years. Comparatively in China, online retail already makes up more than 16% of the overall retail market and is expected to touch 20% in 2020. In China, the next set of growth is expected to come from advanced logistics infrastructure and the offline-online retail mix led by omni-commerce retailers. Currently, the number of transactions in E-commerce retailing in India is 1-1.5mn per day and on E-commerce platforms are around 1.8-2mn per day. After the initial phase where Indian E-retailers focused only on gaining market share through deep discounts; the next phase will be characterised by consolidation, geographical diversification, business realignment, as well as enhancing customer stickiness.

Online retail market v/s Total retail market (2018)



Source : IRR Advisory Analysis

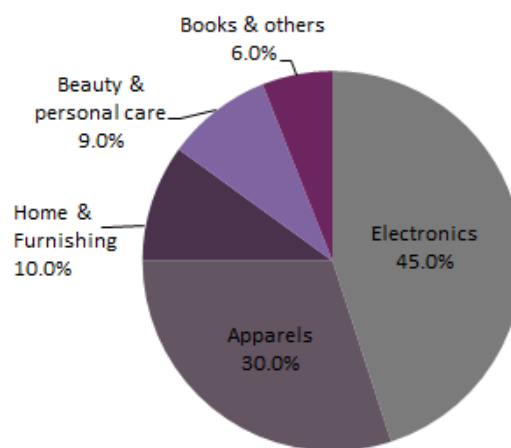
top most factor driving purchase and the consumer would buy it from the medium that offers it at the lowest price. In case of consumer electronics offline companies who plan and run promotional campaigns around the festive seasons, online e-commerce players run these on a monthly basis as they have can easily play with the extra margins that they have due to elimination of stakeholders in the value chain.

In the E-commerce Retail space in India, the Consumer Electronics market is followed closely by apparels market valuing USD9.6bn (30% share), home and furnishing valuing USD3.2bn (10% share), beauty and personal care valuing USD2.8bn (9% share) and books and others valuing USD2bn (6% share). The online retail industry in India is witnessing a surge with strong drivers of growth and a host of other factors resulting in its progress.

KEY SEGMENTS IN E-COMMERCE MARKET IN INDIA

As of 2018, Consumer Electronics segment valuing approximately USD14.4bn is the major contributor to the total online retail sales with a share of 45%. Indian consumers are buying premium Smartphones, large screen televisions, multi-door refrigerators and large capacity washing machines online, pushing up average billing sizes for these categories. The average billing size for televisions sold online has gone up 50%, while for appliances and Smartphones it has increased by up to 20% in the last one year. Consumers are also becoming extremely vigilant these days where they survey models in a brick-and-mortar retail outlet and compare the prices with the online portals. In our country, price is still the

Key Segments in E-Commerce Retail in India (2018)



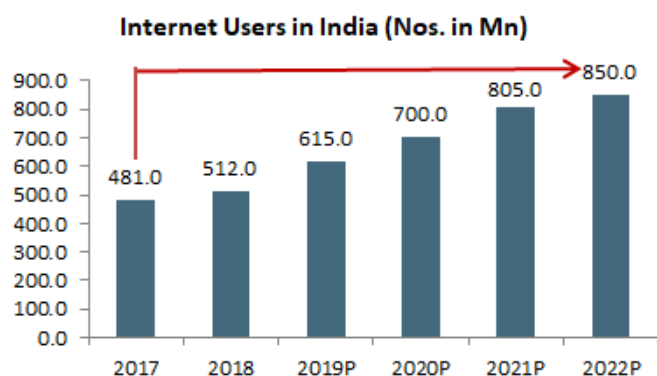
Source: Industry Reports, Media Reports, IRR Advisory Analysis

KEY DEMAND DRIVERS FOR E-COMMERCE INDUSTRY IN INDIA

Key demand drivers for E-commerce industry in India are provided below:

1) Increasing Internet penetration in India

The number of Internet users in India stood at 481 mn in Dec 2017. The ongoing digital transformation in the country is expected to increase India's total internet user base from 512 mn in 2018 to 850mn by 2022. Urban India with an estimated population of 455 mn as per 2011 census, has approximately 65% internet penetration as of 2018. Rural India with an estimated population of 918mn as per 2011 census, has only 20% internet penetration as of 2018 leaving out huge potential for growth in the coming years. India is now adding close to 10mn daily active internet users every month, the highest rate of addition to the internet community across the world.



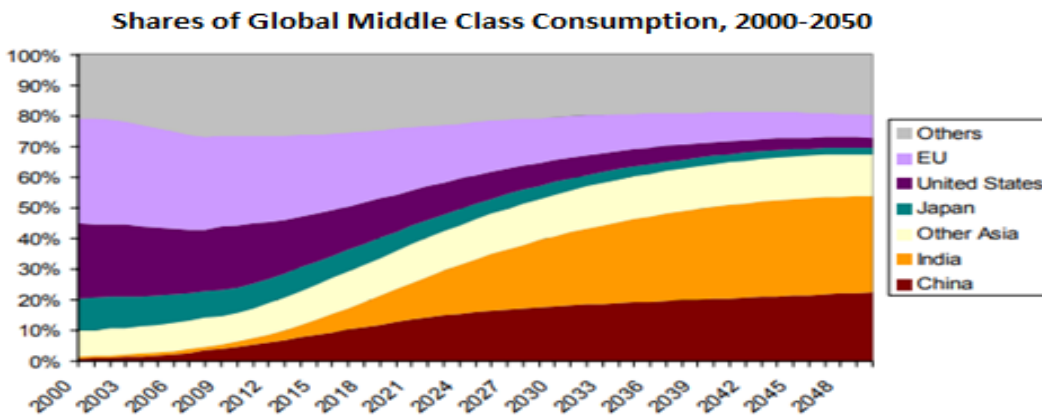
Source : Media Sources, IRR Advisory Analysis

The volume of new internet users is growing vividly for the past 18-20 months after the data charges had come down to just about INR 15-20/GB following the entry of Reliance Jio from a level of as high as INR 250/GB data in the past. In India, people accessing internet content in local languages have already overtaken the English language internet user base by a huge margin as they currently number 235 mn compared to 175 mn of English language internet users. According to Google, in India about 169 mn people

are currently using internet for messaging, 167 mn people are accessing the digital entertainment, 115 mn internet users are spending time on social media and over 100 mn users are surfing the news on a daily basis. With an expected focus on new 5G technologies later this year, mobile internet penetration is likely to increase with better quality data services.

2) Emerging middle class to be a driving force

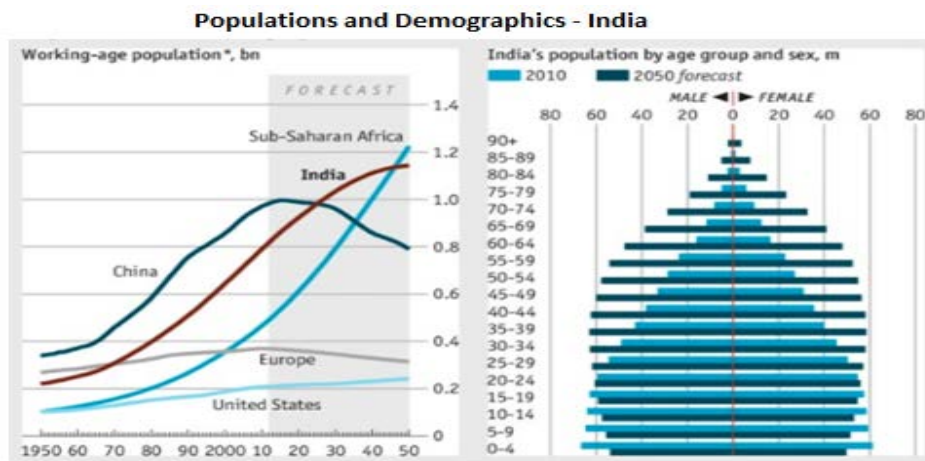
India is slated to become the most populous in the world by 2022, according to the UN and is projected to have a population of 1.8 bn in 2060. Half of India's current 1.3 bn people are below the age of twenty-six, and by 2020 it is expected to be one of the youngest countries in the world. If this population growth occurs, it potentially would lead to the expansion of the middle class in a huge way. According to World Bank and the Organization for the Economic Cooperation and Development (OECD); people living on less than USD 2/- a day are considered poor. For those in the middle classes, the earnings typically lie in the range of USD 10/- to USD 100/- per day as expressed in the 2015 purchasing power parities. By 2030, India will move from being an economy led by the bottom of the pyramid to one led by the middle class. National Sample Survey (NSS) Consumer Expenditure Survey (CES) data states that India's middle class expanded considerably between 2004-05 and 2011-12. According to their estimates, India's new middle class grew from 304.2 mn in 2004-05 to 604.3 mn in 2011-12. Nearly 80% of households in 2030 will be middle-income, up from about 50% as of 2018. IRR Advisory estimates the middle class to drive 70% of consumer spending by 2030.



Source: Organisation for Economic Co-operation and Development(OECD)

3) Demographic dividend – a key driving factor

India has one of the youngest populations in an aging world. Half of India's current 1.3bn people are below the age of twenty-six. By 2020, the median age in India will be just 28, compared to 37 in China and the US, 45 in Western Europe, and 49 in Japan. Demographics can change the pace and pattern of economic growth. While China's spectacular growth has already benefited from a demographic dividend, India is yet to do so. Demographic dividend has historically contributed up to 15% of the overall growth in advanced economies and India is conveniently placed.



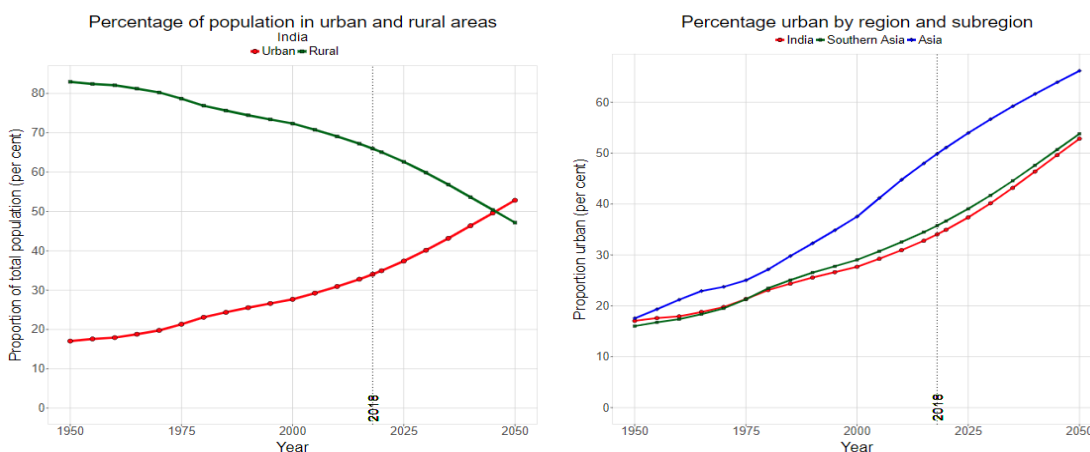
Source: UN Population division

*15 to 64yrs old

Demographic dividend can increase economic growth through six channels. The first channel is through the swelling of the labour force, as more people reach working age. The second channel is the increased fiscal space created by the demographic dividend to divert resources from spending on children to investing in physical and human infrastructure. The third channel is the rise in women’s workforce that naturally accompanies a decline in fertility, and which can be a new source of growth. The fourth is the increase in savings rate, as the working age also happens to be the prime period for saving. The fifth channel is an additional boost to savings that occurs as the incentive to save for longer periods of retirement increases with greater longevity. The sixth channel is a massive shift towards a middle-class society that is already in the making. Growth, education, home ownership, better economic security and a desire for more durable goods are the cause and consequence of young demographics. In 2014, the GoI devised a National Youth Policy covering eleven priority areas—Education, Employment and Skill Development, Entrepreneurship, Health and Healthy Lifestyle, Sports, Promotion of Social Values, Community Engagement, Participation in Politics and Governance, Youth Engagement, Inclusion, and Social Justice—which provides youth a strong road map for realizing the projected goals throughout the consecutive 5 years with an appropriate framework.

4) Increasing Urbanization in India

The 2018 ‘Revision of World Urbanization Prospects’ produced by the Population Division of the UN Department of Economic and Social Affairs (UNDESA) notes that future increases in the size of the world’s urban population are expected to be highly concentrated in just a few countries. Together, India, China and Nigeria will account for 35% of the projected growth of the world’s urban population between 2018 and 2050. By 2050, it is projected that India will have added 416mn urban dwellers, China 255 mn and Nigeria 189mn. About 34% of India's population now lives in urban areas; this is an increase of about three percentage points since the 2011 Census.

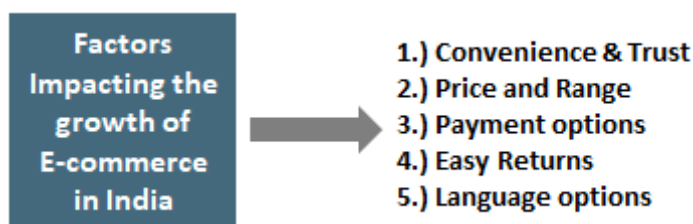


Source: UN Population Division: ‘World Urbanization Prospects 2018’

The number of mega sized urban clusters (above 50lakh population) has remained almost constant over the years. However, the number of smaller urban clusters has been increasing rapidly. To ensure that the benefits of urbanization are fully shared and inclusive, policies to manage urban growth need to ensure access to infrastructure and social services for all, focusing on the needs of the urban poor and other vulnerable groups for housing, education, health care, decent work and a safe environment.

5) Convenience of E-commerce in India

The scenario of shopping is changing drastically in India. In earlier days, shopping was a fun and leisure activity enjoyed with family and friends. Today, it is a solo activity, digitally influenced and all about convenience. The



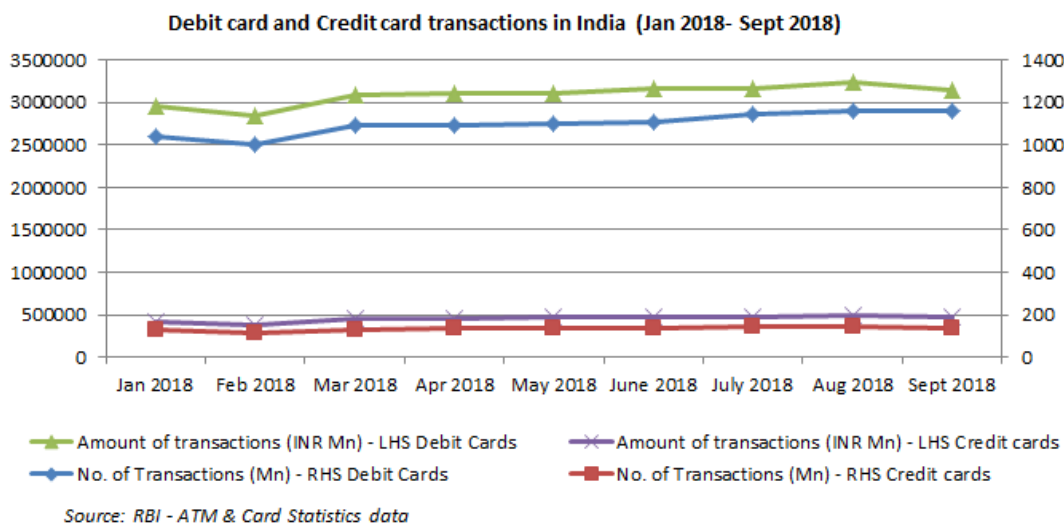
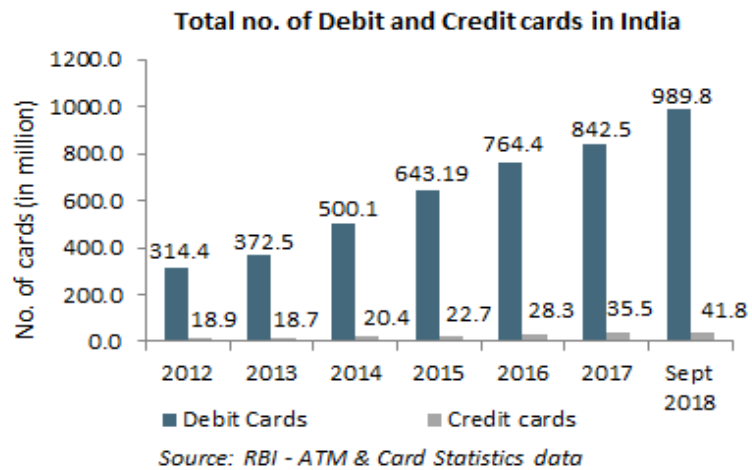
concept of shopping anything-anywhere-anytime has given the boost to the e-commerce industry in India. India is expected to have 850mn internet users by 2022 with a market size of USD150bn. It is also evident that between 2014 and 2017, the number of online buyers has multiplied seven-folds. The mobile wallet market in India is contributing to the convenience of E-commerce in India as Indian consumers are increasingly turning

away from cash and card. E-commerce is allowing people to enjoy better discounts as compared to the offline route; along with the wide range of selection it offers. Moreover, the regional language versions of popular sites have nonetheless played a critical role in the growth of large scale e-commerce portals.

6) Growth of Plastic money in India

Plastic money is an alternative to the cash or the standard ‘money’. Plastic money refers to the credit cards and debit cards/ATM cards that we use to make purchases. India became familiar with the concept of debit and credit cards in 1981, almost a decade after the world was already using it comfortably. From then on, plastic money gained popularity in the Indian society, though at a much slower pace as compared to developed countries like US. The then US market was dominated by Visa and Master card. In India, the big players were HSBC and Citibank.

During 1987 to 2001, the market grew to 4mn cards with over 25-30% of CAGR in new cardholder’s base. According to RBI, there are 989.8mn debit cards and 41.8mn credit cards in the economy as of Sept 2018. The total value of debit card transaction was at INR 3,149 bn; while that of credit card transaction was at INR464bn in the month of Sept 2018. Banks are more comfortable issuing debit and credit cards now than before. Easy accessibility to CIBIL scores has eased issuance. E-commerce boom and increasing people shopping online have also helped increase the demand. The chart provided below gives an insight of the transaction volume (in numbers and value terms) of the debit cards and credit cards in India –

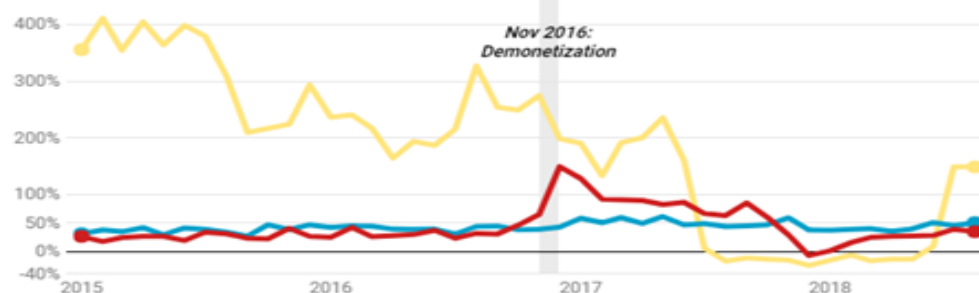


7) Growing Digital Payment options in India

Digital transactions in India (2015-2018)

% year-over-year growth in digital transactions (in value terms)

■ M-wallet and mobile banking transactions ■ Retail electronic transactions ■ Cards PoS



Note: Retail electronic transactions include NEFT, IMPS and UPI payments.

Source: RBI Database

Digital payment methods in India received a major push after the implementation of Demonetisation in Nov 2016. Banking cards, Aadhar Enabled Payment Systems (AEPS), Unified Payments Interface (UPI), Mobile wallets, Point of sale (POS), Internet banking, mobile banking, Bharat Interface of Money (BHIM) app are the different modes in the Digital Payment system. Between 2015 and 2017, digital payment transactions grew at an average annual pace of more than 100%, outpacing other major developing countries. According to a NITI Aayog report, the digital payment market is currently pegged at USD200bn. It is slated to reach USD1tn by 2023 and mobile payments are expected to rise from USD 10 bn in 2017-18 to USD 190 bn by 2023. A number of private players like Paytm, FreeCharge, MobiKwik, PayUMoney and Oxigen have emerged and played a key role in growing the overall market. Media reports reflect that Paytm has acquired more than 5.0 mn merchants using QR code, a technology which has gained significant prominence in developing countries like China. Digital giants like Google and Facebook offer seamless payment services leveraging UPI through Google Pay and WhatsApp Pay respectively. E-commerce companies like Flipkart also offer payments solutions through PhonePe. According to the National Payments Corporation of India (NPCI), the value of the BHIM Unified Payments Interface (UPI) transactions skyrocketed to INR 1 tn while the volume of transactions reached 913.0 mn, up from a meagre 7.0 mn in April 2017. We expect digital payments to evolve rapidly over the next few years and non-cash spend to overtake cash spend in the coming decade.

Major players in Digital Payment market in India

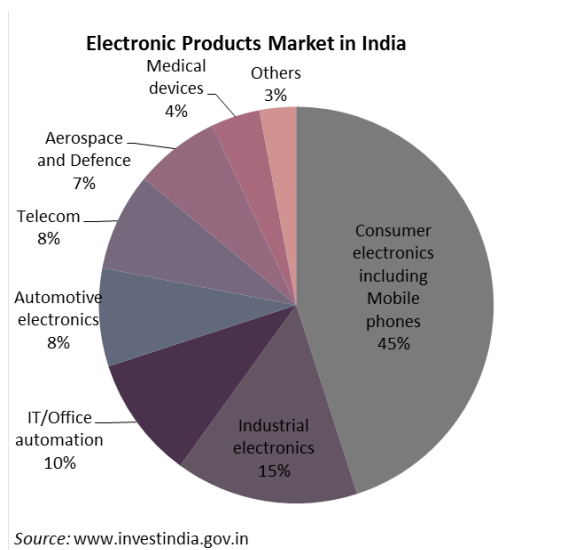
Digital Payment Partners	Paytm	Google Pay	Mobikwik	Phone Pe
User Base (FY18)	350mn	25mn	107mn	118mn
Modes of payment	UPI, Wallet, Payment bank	UPI	Wallet, UPI	Wallet, UPI
Utilities	UPI payments, mobile, DTH, flight, train, movie tickets	UPI payments, DTH, flight, movie, ticket booking, food	UPI payments, wallet, mobile, DTH, electricity, gas, insurance	UPI payments, wallet, mobile, electricity, water, insurance
No. of offline merchants (FY18)	9.5mn	1.2mn	0.1mn	0.3mn
Transactions	Over 1.5bn transactions in a quarter	860mn transactions in 2017-18	USD3bn gross transaction value in FY18	USD110mn transaction value in August

Source: Media Reports

It can be assumed that this massive growth of digital payment methods would consequently lead to a decrease in the use of cash. However, the cash in circulation as of June 22, 2018, was 9.8% more than it was on June 23 in 2017. This

indicates that even though there is a greater appetite for digital payments systems, the Indian economy continues to be heavily reliant on cash.

OVERVIEW OF THE CONSUMER ELECTRONICS MARKET IN INDIA



Introduction

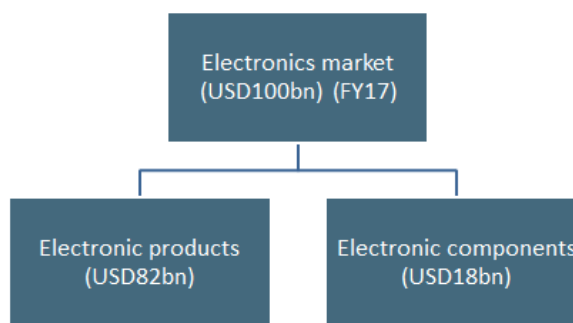
Electronics market in India was estimated to be around USD 100 bn in size in FY17, out of which electronics products segment contributed 82% to the overall electronics market. The electronics products market is further divided into different segments like consumer electronics, industrial electronics, IT/Office automation, automotive electronics, telecom, aerospace and defence, medical devices and others. The consumer electronics segment including mobile devices has share of 45% of the total electronic products market. Mobile phones have major share of consumer electronics segment. The Indian appliances and consumer electronics market size was worth INR 2.1 tn in FY17. It is expected to increase at CAGR of 9% to reach INR 3.2 tn by FY22. However, the growth in the consumer electronics industry was limited to 5-6% in the last fiscal year due to transition to the GST regime.

Market size

India, one of the largest consumer electronics markets in Asia Pacific Region is expected to become the fifth largest in the world by FY25. The Indian consumer electronics market size was worth INR395.4bn in FY18. It is expected to increase at CAGR of 14.7% to reach INR683.5bn by FY22. The key growth drivers for the Indian consumer electronics market are macro factors such as growing middle-class population, increased demand from households, changing lifestyles of individuals, easier access to credit, and rising disposable incomes.

Additionally, declining electronics prices and adoption of high-end technology devices is driving the market. The technology transitions such as the rollout of 4G/ LTE networks and IoT are driving accelerated adoption of electronic products like mobile devices. The government initiatives such as 'Digital India' and 'Smart City' projects have raised the demand for IoT in the market. Government in the import bill, coupled with government and corporate spending is anticipated to complement the positive demand in this market. The India consumer electronics sector has attracted several strong investments in the form of merger & acquisition policies practiced by key participants of the global market and other FDI inflows.

Electronics market size in India



Source: Industry sources

Industry trends

The consumer electronics market in India is growing fast owing to major changes in technology, innovation and increasing competition in the global market. The electronic devices are getting smaller in size and technologically advanced day by day. This has led to decreased cost of production and increased demand in market for the consumer electronic products. The adoption of latest trends in technology such as artificial intelligence and machine learning has made devices smarter and more automatic. The consumers are being conscious about the smart and automatic devices. Consumer demand for smart and connected devices is going to shape the market with adoption of latest technologies like IoT and increased bandwidth of internet.

Key challenges

The low domestic cumulative value addition in the production cycle is the main challenge in this sector. The cumulative value addition is less than 40% for most new age products and 7% for smartphones, which is far lower than the global average. This is attributed to limited domestic component ecosystem, high cost of finance and power, and inefficient infrastructure. Manufacturing disabilities is another major challenge in this sector. While India has good market potential, legacy challenges could lead to muted or stagnant growth in local value add for consumer electronics manufacturing. For domestic manufacturing to flourish in the consumer electronics industry, India needs to create large scale demands. Economies of scales can help the domestic manufacturing by reducing prices and boosting demands. The domestic manufacturing relies heavily upon ease of doing business in India. India needs to further improve its ranking in ease of investing and ease of doing business.

KEY SEGMENTS IN THE CONSUMER ELECTRONICS (BROWN GOODS)

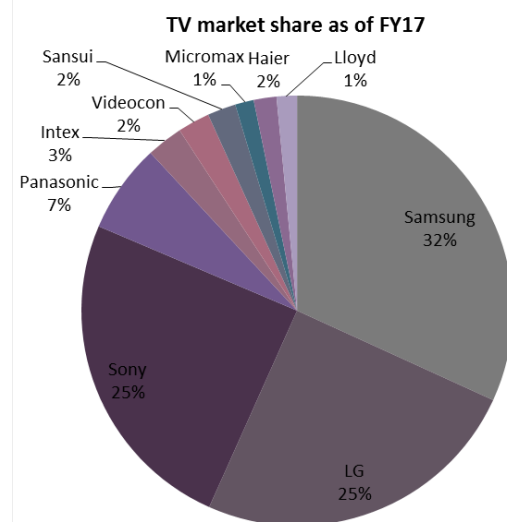
The consumer electronics segment is classified into two main categories namely white goods and brown goods. The large electronic appliances like washing machine, air conditioner, refrigerators, etc. are known as white goods as they were traditionally sold in white color only. Whereas the smaller electronic appliances are called brown goods. Mobile phones are considered as brown goods in this report.

Mobile phones:

Mobile phones have the largest share in the brown goods category. About 30mn units of Smartphones were sold across India in in Q1FY18 and 33.5mn units were sold in Q2FY18. The number of Smartphone users in India is estimated to increase to about 442.5mn by FY22. The domestic mobile phones manufacturing industry in India is projected to cross INR1350bn by FY20 according to industry body Internet and Mobile Association of India (IAMAI). The domestic manufacturing has contributed to the reduction of the average selling price of mobile phones in India. The key players in the mobile phones market are Samsung, Xiaomi, Vivo, Oppo, Huawei, etc. Increasing competition among Smartphone manufacturers, shrinking gap between smart phones and feature phones and domestic manufacturing of mobile phones are major demand drivers.

Television:

The Indian television market was worth an estimated INR 660.0 bn in CY17 and was projected to grow at a CAGR of 9.3% to reach INR 862.0 bn in CY20. The ever increasing technological advancements like IPTV, DTH and digitalization have led to drastic growth in the television industry across India. In FY20, it is expected that the Indian market for TVs will be worth around USD 21.1 bn. Boom in the media and entertainment industry in India has fuelled the demand of television sets in the market. In FY17, the value of the Indian TV industry amounted to INR 660 bn, and estimated to reach INR862bn in FY20. The key players in the television market are Samsung, LG, Sony, Panasonic, etc. Production of TV sets in India is has declined from INR7.0bn in FY15 to INR5.2bn in FY18.



Source: Industry Sources

CD/DVD players

The CD/DVD players are slowly becoming outdated due to availability of alternative devices for playing multimedia. Smartphones, smart TVs, laptops and PCs can play the multimedia files like music and videos and thus the demand for CD/DVD players has decreased over time. The market data for the sales of CD/DVD players is not available on the internet.

Audio/Video systems

India is the world's fastest growing market for audio visual equipment. Indian AV industry was estimated to have market size of INR465.0bn in FY18 and was projected to grow at CAGR of 7% to reach INR602.5bn by FY22. Sectors such as education, infrastructure, and corporate information technology drive the demand for audio/video systems in

India. Festive seasons like Diwali, Christmas and celebration events like wedding, parties, etc. also increase the demand for audio/video systems in the market.

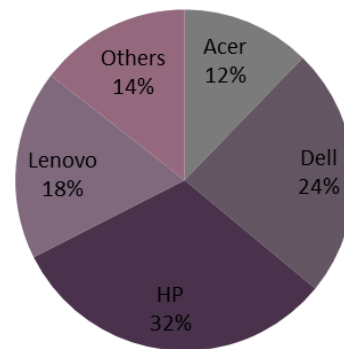
Digital cameras:

Compact Digital Cameras popularly known as Point and Shoot devices are facing stringent competition from Smartphones in the country. Mobile OEMs are targeting the photography segment and have been expanding their camera centric Smartphones product portfolio. This factor has restricted the growth of India Compact Digital Camera market. India Digital Camera market shipments reached over 0.3mn units in CY16. Canon, Nikon and Sony together captured majority of the market share. DSLR segment dominated the market with more than 50% share over point and shoot cameras.

Laptop and Personal computers:

The consumer laptops and PCs market was 1.5mn units in Q3FY17, which is 9.5% higher compared to the same period last year and a growth of 85.4% QoQ. Seasonality and online festive sales drive positive consumer spending in the consumer PCs market. The market is growing in spite of declining consumer sentiment on the back of low employment opportunities, income and price levels in India. Laptops and personal computers are mainly used for commercial purposes by corporates, educational institutions, etc. Small section of the PCs and laptops are used by consumers for education and entertainment purposes. HP, Dell, Lenovo, Acer, etc. are the major players in laptop and personal computers market.

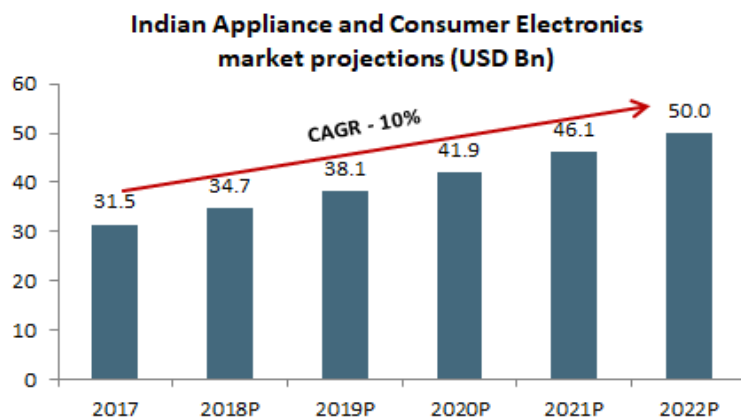
Top players in Indian PCs market, 2018Q2



Source: Industry Sources

OUTLOOK ON THE GROWTH OF CONSUMER ELECTRONICS IN INDIA

Outlook on the growth of Consumer Electronics for the next 5 years in India



Source : Industry Source, IRR Advisory Analysis

Increase in demand from households, changing lifestyles of individuals, easier access to credit and rising disposable incomes have been an impetus to the growing demand in the Indian Appliance and Consumer Electronics market. The India consumer electronics sector has attracted several strong investments in the form of merger & acquisition policies practiced by key participants of the global market and other FDI inflows. Advancement in technology and higher competition are driving price reductions across various consumer durable product segments such as computers, mobile phones, refrigerators and TVs. Intentional reduction by the Government in the import

bill, coupled with government and corporate spending is anticipated to complement the positive demand in this market. With the initiative of ‘Make in India’ campaign, many domestic and Chinese manufactures are investing in India to set up their manufacturing plants which would produce more affordable products. India is now the world’s second largest mobile phone manufacturer with presence of 120 factories as of July 2018. The Indian Appliance and Consumer Electronics market is pegged at USD 31.5 mn as on 2017. IRR Advisory estimates the market to grow at a CAGR of 10% to reach USD 50 bn by 2022.

As per the Make in India initiative, Electronic Development Fund Policy has been approved with the intention of rationalizing a transposed duty structure. The GoI’s policies and regulatory frameworks such as relaxation of license rules and approval of 51% FDI in multi-brand and 100% in single-brand retail are some of the major growth drivers for the consumer electronics market.

OVERVIEW OF THE INDIAN PENCIL BATTERY MARKET

The Indian pencil batteries market is currently pegged at INR16.5bn by value and 2.7bn pieces by volume as of FY18. The organized market is majorly dominated by three brands, i.e. Eveready, Nippo and Panasonic. Zinc-carbon is the dominant technology with about 95% share in the dry cell battery market. The alkaline battery share in the market is 4% whereas the rechargeable segment accounts for the remaining 1%. The demand is driven by growth in the off-take of its applications. A growing need for portable power and the advent of a number of battery-operated gadgets like remotes, clocks, etc. have catalyzed consumption. Since these gadgets are used regularly, batteries have enjoyed a non-cyclical demand.

The demand pattern for batteries have gone through drastic changes in the recent past as consumers have shifted from expensive 'D' size batteries to 'AA' sized ones. The cost of production of the alkaline batteries is higher than that of dry-cell batteries. While the global trend of alkaline battery usage is on upward trajectory, the higher price of the alkaline battery in the domestic market meant that its growth is dampened in India. In developed countries, alkaline batteries account for more than 70% of the market share. In India the alkaline battery segment is currently dominated by Duracell with Eveready Ultima being distant second.

Types of Batteries

Batteries can be broadly classified into two categories:

- Primary Battery
- Secondary Battery

Primary Batteries are designed to be used once and discarded, and not recharged with electricity and not reused like a secondary battery. The electrochemical reaction occurring in the battery is irreversible and renders the battery non rechargeable. Alkaline batteries, Mercury batteries, Silver-Oxide batteries and Zinc Carbon batteries are examples of Primary Batteries.

- Alkaline Batteries:** They work on a reaction between Zinc metal and Manganese dioxide. Compared with Zinc-Carbon batteries, alkaline batteries have a higher energy density and a longer shelf life, with the same voltage. These batteries are popular in the west but do not comprise a serious alternative to the zinc carbon batteries due to the price sensitive nature of the Indian market.
- Zinc-Carbon Batteries:** Zinc carbon is a generic term for primary dry-cell batteries of the LeClanche or zinc chloride system. These batteries have an anode of zinc, a cathode of manganese dioxide, and a slightly acidic electrolyte.

Secondary Batteries can be recharged, discharged into a load and recharged multiple times till the life of the battery. Their electrochemical reactions can be reversed by running current through their circuit.

- Lead-acid Battery:** This has a low specific energy and limited cycle count. Lead acid is used for cars, personnel carriers, emergency lighting and uninterruptible power supply (UPS).
- Nickel-cadmium Battery (NiCd):** This has a long service life and high discharge current. It is mainly used for power tools, medical devices and aviation. Due to environmental concerns, these batteries are being replaced with more environmental friendly ones, but it retains its status in aircrafts due to its reliability and safety record.
- Nickel Metal Hydride Battery (NiMH):** This type of battery serves as a replacement for NiCd Battery as it has only mild toxic metals and has higher energy density. NiMH is used for medical instruments, hybrid cars and industrial applications.
- Lithium-ion Battery (LIB):** This is a type of rechargeable battery in which lithium ions move from the negative electrode to the positive electrode during discharge and back when charging. Li-ion batteries use an intercalated lithium compound as one electrode material, compared to the metallic lithium used in a non-rechargeable lithium battery. Lithium-ion batteries are common rechargeable batteries for portable electronics,

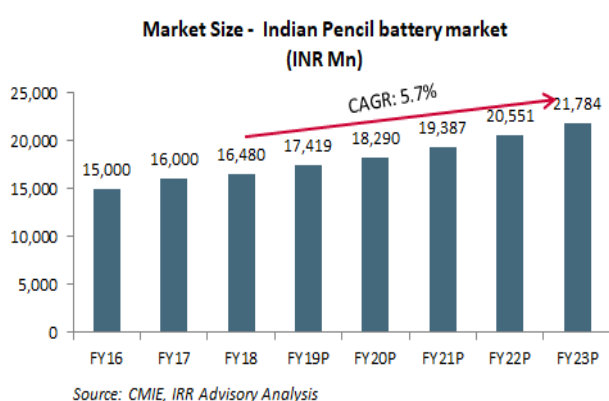
with a high energy density, tiny memory effect and low self-discharge. LIBs are also growing in popularity for military, battery electric vehicle and aerospace applications.

Key Players in the Indian Pencil Battery Market

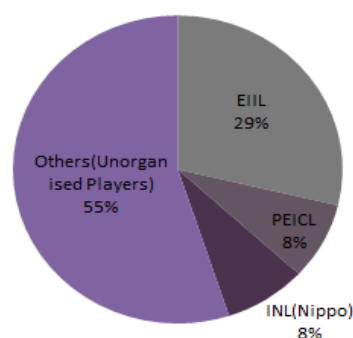
- Eveready Industries India Ltd. (EIL),** formerly known as Union Carbide India Limited, is the flagship company of the B.M. Khaitan Group. The Eveready brand has been present in India since 1905. EIL manufactures and markets batteries, flashlight cases, electrolytic manganese dioxide and arc carbons. It also manufactures photo-engravers plates/strips for printing, castings, hard facing and tube rods, carbon electrodes and other related products. The company also produces and markets tea. The Group's operating facilities are located at Kolkata, Bengaluru, Chennai, Hyderabad, Noida, Gurgaon and Navi Mumbai. The company's manufacturing facilities are located at Matia, Lucknow, Noida, Haridwar, Maddur and Kolkata. The company is the largest organised player in the Pencil Batteries segment. EIL is the world's third largest producer of carbon zinc batteries, selling more than a billion units a year. EIL is India's largest selling brand of dry cell batteries and flashlights (torches), with dominant market shares of about 28.8% and 85% respectively.
- Indo National Limited (INL)** manufactures batteries under brand name Nippo in India. The company is headquartered in Chennai and has 33 offices throughout the country. INL has 35 distributors, over 2800 stockists, 900 vans and 500 autos covering over 5 lakh retail outlets. INL is the second largest dry cell battery manufacturer in India, with 8% market share in 2018. The company has manufacturing facilities at Nellore and Tada both at Andhra Pradesh.
- Panasonic Energy India Company Limited (PEICL)** was established in the year 1972 as Lakanpal National Limited, manufactures dry cell batteries and lighting products. It is headquartered in Vadodara (Gujarat) and is a part of global Panasonic Corporation. The company has manufacturing facilities in Vadodara and Pithampur. The Company manufactures Zinc carbon, Alkaline, Lithium, Rechargeable batteries and lighting products.

Market Share of key players

The pencil battery market can be divided into two key segments i.e. Dry-cell Batteries and Alkaline Batteries. In the Dry-cell battery segment, the unorganized sector, which comprises essentially of imports from China and Vietnam, dominates the market with a market share of over 55%. In the organized sector, EIL has a significant market of 29% followed by INL and PEICL each around 8%. The Alkaline batteries segment is majorly dominated by Duracell with 70% market share and its rival Eveready Ultima occupying a market share of around 20%.



Market Share of Dry cells in India (FY18)



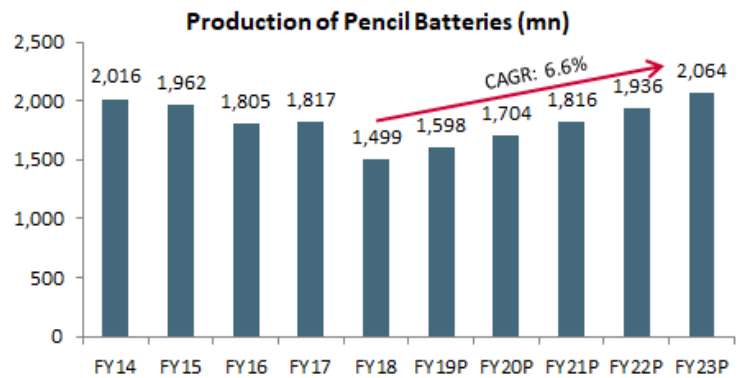
Threats to the Industry

The domestic battery industry has been hit by cheap imports from countries like China and Vietnam. The Association of Indian Dry Cell Manufacturers (AIDCM) on behalf of domestic industry, namely, EIL, PEICL and INL has approached the Directorate General of Anti-Dumping and Allied Duties (DGAD) under the Commerce Ministry to initiate a probe into dumping of “AA Dry Cell Batteries” by China and Vietnam. In 2016, the DGAD recommended to the Ministry of Finance that the imposition of the import duty on the imports ‘is not required’. In 2018, Competition Commission of India (CCI) imposed a fine of INR 2.15 bn on EIL, INL and AIDCM for cartelization in pricing of zinc-carbon dry cell batteries. In case of PEICL, which was also involved in anti-competitive conduct of price coordination, the fine has been completely waived off. CCI had found that the three battery manufacturers, facilitated

by AIDCM, had indulged in anti-competitive conduct of price coordination, limiting production/supply as well as market allocation.

Future Outlook of Pencil battery market in India

As per industry estimates, the current market size of pencil battery market in India is around INR 16,480 mn in FY18. IRR Advisory estimates the market size to grow at around a CAGR of 5.7% from INR 16,480 mn in FY18 to INR 21,784.1 mn in FY23. Market size is projected to increase as the sector underwent changes during the recent years as consumers shifted from the more expensive 'D' size batteries to 'AA' sized ones.



Source: CMIE, IRR Advisory Analysis

Further, demand for dry cells is expected to rise as phase IV of cable TV digitization is underway in rural areas, giving rise to the use of an extra remote for set-top box. The production of pencil batteries is around 1,499 mn as of FY18. IRR Advisory estimates the production of pencil batteries to increase at a CAGR of 6.6% from 1,499 mn in FY18 to reach 2,064 mn in FY23 due to expected increase in the usage of battery operated gadgets.

OUR BUSINESS

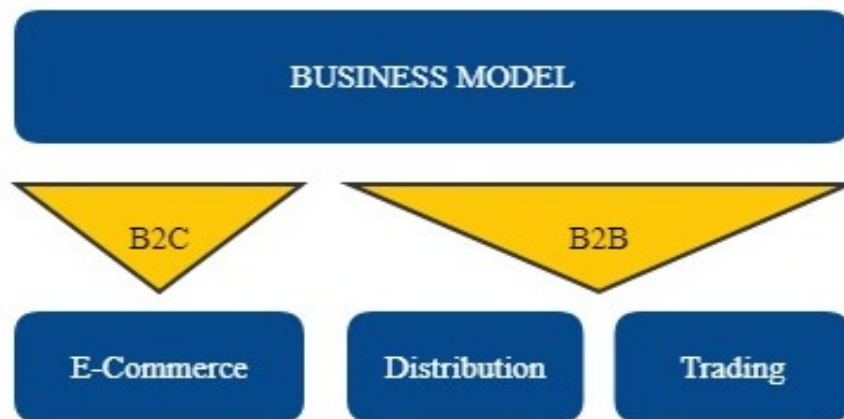
This chapter should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the sections titled ‘Risk Factors’ and ‘Financial Information’ and the chapter titled ‘Management Discussion and Analysis of Financial Condition and Results of Operations’ beginning on page nos. 20, 149 and 172 respectively, of this Draft Red Herring Prospectus. Unless the context otherwise requires, in relation to business operations, in this chapter of this Draft Red Herring Prospectus, all references to “we”, “us”, “our” and “our Company” are to JSK Marketing Limited as the case may be.

OVERVIEW

Our Company is a product marketing company involved in the trading and distribution of various products in multiple verticals such as digital consumer electronics, apparels, garments, fabrics and textiles / fashion & lifestyle, batteries & torches, white goods, office electronics, household items and agro & other commodities. Our Company was co-founded by late Mr. Krishnakumar Jivarajka in the year 1985 and in the years following its inception our Company has amassed varied experiences from manufacturing to trading, establishing itself in its current business activities. Our Company began concentrating on its trading and distributorship business in the year 2007 with major distribution of Nippo Batteries and other Nippo Products like torches, LED bulbs and mosquito bats. Over the years we have gradually encompassed a host of other products. For details of our product portfolio please refer the section “Product Portfolio – Our Business” on page no. 104 of this Draft Red Herring Prospectus.

Our Company also is engaged in a broad based distribution model, based on multiple products and multi-brand strategy. The focus is to establish ourselves and capture a considerable market share in each of the product categories. This helps to spread our market risks arising out of fluctuation in the market shares of various brands besides helping us to achieve economies of scale. Also, our Company is engaged in trading activities for various products, branded & local and industrial & consumer products. In the year 2008, our Company has developed and registered an in-house brand for various products like torches and shoes known as “Tigon”. The products under this brand are outsourced and manufactured by 3rd party manufacturers, who supply the finished goods to us for marketing and selling.

The business model of our Company includes direct sales to end users i.e. Business to Client (B2C) and sales to other traders, stockists and retailers i.e. Business to Business (B2B).



Our Company has partnered with a various renowned brands of varied products throughout the Country such as Skechers South Asia Pvt. Ltd., Cravatex Ltd., Aero Club Delhi (Woodland), Delsey India Pvt. Ltd., Envirofit India Pvt. Ltd. and many renowned apparel & fashion designers like Ritu Kumar, JJ Valaya, Rina Dhaka to name a few, specialising in apparels, lifestyle, electronics and household products. A significant portion of these licensed products are sold through e-commerce platforms thus giving us a wide reach of customers. We have a dedicated team for managing the e-commerce website display, order management, supply and delivery timelines and for revenue collection.

The distribution and trading services provided by our Company include both volume business and value business products. Products which fall in the volume business verticals are typically fast moving high volume products like Batteries, agro & other commodities, mobile & computer accessories, etc. We mainly play a connecting role and support the vendor’s demand generation activities through trade marketing. The key deliverables here are logistics and

inventory management, credit and delivery at cost effective prices to the customers. Volume business require stocking across branches and is working capital intensive. Products which fall in value business segment, are typically high end, high value products like white goods, cameras, mobiles, household items, etc. These sales generally include our push of the particular product / brand in the market aided by vendor advertising and the brand perception itself. Our Company also provides value added services to vendors and customers of value businesses segment.

Our Company's operating model represents the indirect sales model and we play the role of supply chain consolidator between several wholesalers / manufacturers and various traders, stockists & retailers. We operate with a stockist / dealer network of approximately 470 stockists. Also, our team visits various retail counters where our products eventually are sold from, thus acquiring direct feedback and customer response. We act on a principal to principal basis, purchasing in bulk from the vendors and further down selling them to re-sellers / sub-distributors / stockists and retailers. Further in order to expand our portfolio of business activities our Company regularly enlists new products under its distribution and / or trading portfolio. For further details refer section titled "*Product Portfolio – Our Business*" on page no. 104 of this Draft Red Herring Prospectus.

Our business has grown rapidly in recent years. In the past three (3) years, our revenue from operations have increased from ₹ 34,285.10 lakhs in the F. Y. 2015-16 to ₹ 57,708.90 lakhs in the F. Y. 2016-17 and further to ₹ 71,484.40 lakhs in the F. Y. 2017-18, showing an increase of 68.32% and 23.87% for the respective periods. Our Net Profit after tax for the above mentioned periods are ₹ 924.08 lakhs, ₹ 2,148.88 lakhs and ₹ 3,175.98 lakhs, respectively. Our Revenue & Net Profit for the period ended September 30, 2018 are ₹ 53919.11 lakhs and ₹ 1,397.42 lakhs respectively.

Between F. Y. 2015-16 and F. Y. 2017-18, our total revenue grew at a CAGR of 27.75% from ₹ 34,285.10 lakhs for F. Y. 2015-16 to ₹ 71,484.40 lakhs for F. Y. 2017-18, EBITDA grew at a CAGR of 47.03% from ₹ 2,327.83 lakhs for F. Y. 2015-16 to ₹ 7,398.51 lakhs for F. Y. 2017-18 and our PAT grew at a CAGR of 50.91% from ₹ 924.08 lakhs for F. Y. 2015-16 to ₹ 3,175.98 lakhs for F. Y. 2017-18.

As on date of this Draft Red Herring Prospectus, we have 192 employees on the pay roll of our Company.

OUR COMPETITIVE STRENGTHS

We believe that the following are our primary competitive strengths:

Management Expertise

Our senior management team is well qualified and experienced in the trading & distribution business, including marketing, brand management and customer relations. Our Promoter and Managing Director, Mr. Kunal Jiwrajka has amassed more than a decade of experience in the business after completing his graduation from University of California. Also, our Non-executive Director, Mrs. Laxmidevi Jiwrajka has been associated with the Company since the year 1989 and lends her experience in overall business management process. With the combined business acumen and innovative approach, our Promoter has over the years, expanded our scale of operations. For further details of our Promoters' experience and background, please refer the chapter titled "*Our Promoter and Promoter Group*" on page no. 141 of this Draft Red Herring Prospectus.

Further he is aided by a well qualified team of personnel handling various departments like accounting & finance, administration, sales & marketing, compliances, customer relations, etc. We believe that our management team's qualification, experience and their understanding of the trading business will enable us to continue to take advantage of both current and future market opportunities. It is also expected to help us in addressing and mitigating various risks inherent to our business, including significant competition, third party selling agents and fluctuations in demand for specific brands. For further details of our Directors and Key Managerial Personnel, please refer the chapter "*Our Management*" on page no. 128 of this Draft Red Herring Prospectus.

Wide Distribution Network & Geographical Reach

Geographical reach is one of our most important core competencies. India being a geographically vast country makes it difficult for products to reach every part of the country. Further, with each state having its own tax laws, permit/ forms requirement etc, the supply chain management becomes quite complex. The complexity further increases due to different supply chain models adopted by different vendors. This requires high level of expertise and quality processes to manage supply chain activities in these varied geographies.

Our Company currently has 24 locations spread across the country with office and / or godowns covering 16 States which gives us access to markets for a significant portion of the national markets. Our Registered Office in Worli, Mumbai is our main administrative office, which connects our various network offices to serve customers on a Pan India basis. Also, our wide network gives us the ability to reach a large number of urban, semi-urban and rural markets, thus giving us a considerable penetration for our branded as well as non-branded / local products. These network offices also are a major contributor in assisting us with our e-commerce sales by providing a point-of-contact for local deliveries and easy availability of products. The wide network and geographical reach offered by us is a crucial factor to our vendors and also allows us to undertake more and more distribution partnerships for different products and brands. We have seven (7) offices and / or godowns in the Northern and Western region each, four (4) offices and / or godowns each in the Eastern and Southern region and two (2) in central India, thus covering a significant national market.

Besides, we also have identified 17 Additional Place of Business (APoBs) in selected States of Haryana, Maharashtra, Karnataka, Tamil Nadu, Telangana and Gujarat. These APoBs are part of our agreements with our e-commerce partners and are used for storage of our products / brands for our online sales. The APoBs further help us in catering to our online customer base with timely delivery, abundant availability and hassle-free after sale services.

Renowned Brand Agreements

As a product marketing Company and engaged in distribution business, our Company has partnered with a number of renowned brands for distribution of their products in the country. Some of these distribution partnerships have been part of our Company's portfolio for over a decade. Currently, we have approximately 50 distribution agreements including major brands like Nippo Batteries, Nippo Torches & Mosquito Bats, Nippo LED lamps, Fila Footwear & Accessories, Tommy Hilfiger, Paris Hilton, Delsey Luggage, Sugarush, Vertical, Sprandi Shoes, Skechers Shoes, Puma Shoes, Nike Shoes, EGoss Shoes, Ritika Pvt Ltd (Ritu Kumar), AMPM Fashions, Envirofit Stoves, Puma, Myriad Activewear, Rina Dhaka Fashion, JJ Valaya, Nidhi Munim, to name a few. These agreements with the brands or their distributor / licensee gives us exclusive rights to market and sell these products on the online e-commerce platforms as well as offline to various stockists and / or trader.

Established Marketing Set-up and Diversified Customer Base

Our Company has been engaged in the trading and distribution business since the year 2007 and over the years our Company has built a multi-product and multi-brand portfolio under its business operations.

The sales & marketing division is one of the key divisions in our business and we have an efficient sales & marketing team operating out of at our registered office and various network offices. With more than a decade of experience, our Promoter, Mr. Kunal Jiwarajka has been instrumental in acquiring and maintaining a substantial customer base. Also, over the years our Promoter has built strong ties with various national traders / stockists. For e.g. sales of all Nippo products, i.e. batteries, torches, LED lamps, mosquito bats, etc., are made through various stockists in the western and northern region and currently our Company has a network of approx. 470 stockists, dedicated for these products. Also, our team visits various retail counters where our products eventually are sold from, thus acquiring direct feedback and customer response. The marketing team consisting of well experienced and qualified personnel ensures that cordial relations are maintained with our stockists and customers and also endeavour to add more stockists / customers in our Company.

For our online sales, our Company initially started with a basic membership of one e-commerce platform. Currently, our Company also has registered itself on various other e-commerce portals, thus increasing the customer base to virtually the entire nation. These e-commerce sales are further serviced by our experienced and qualified marketing and logistics team, ensuring availability, timely delivery and efficient after-sale services. Our marketing team also plays an important role in the development of new display designs and descriptions for products uploaded on the e-commerce platforms, based on their study and feedback for the market participants.

Wide range of products

We are a multi-product marketing Company having distribution agreements with various brands for selling their products nation-wide, through the online platform or through offline sales. We offer a huge range of products of various categories and having varied applications, which gives us an opportunity to create a large customer base. Also, we mitigate any particular product / brand based risk by having a large product portfolio. Our product offerings range from Consumer Digital Electronics – Mobile, Cameras, Mobile & Computer Accessories, Laptops, Tablets, etc; White Goods – Televisions, Refrigerators, Ovens, Air Conditioners, etc.; Batteries & Torches; Agro & Other Commodities –

Bajra, Rice, Tea, Dal, Salt, Papad, Cement, BVF Slag, etc.; Fashion & Lifestyle – Shoes, Apparels & Accessories, Luggage & Travel Accessories; Household Items – Ayurvedic Soaps, Scrubbers, Razors, etc. and various other finished apparels, garments, fabrics & textiles.

A significant number of products in the above categories are sold by us through the e-commerce platform while others are sold offline through stockists and traders. Over the years, our Company has increased its product portfolio exponentially and continues to add more.

Long Standing Track Record with Banks & FIs

Our trading and distribution business is Working Capital intensive as we buy various products on a large scale and sell the same to small traders / retailers / stockists who do not have the required financial liquidity. We have over the past several years increased our borrowings to fund the above working capital. In the course of our borrowings we have established cordial relations with our Bankers and also have maintained a satisfactory track record with them. Our current sanctioned loan from banks and financial institutions amounts to approximately ₹ 32,000 lakhs including loan from a consortium of 7 bankers led by UBI. Our ability to raise secured and unsecured loans from various banks & financial institutions is a significant comfort to our business operations and also gives us a competitive advantage over other players in the industry.

High Entry Barriers

The trading and distribution industry is a highly competitive industry and is characterized by high entry barriers. Also, the distribution business is a highly working capital intensive and requires adequate amount of resources to purchase the goods by availing cash discounts, offering credit to the resellers / traders / stockists, keeping optimum stock of inventory, managing credit cycles and maintaining optimum levels of working capital. Relationship with various different brands and / or vendors and ability to enlist high profile brands in varied product category also plays a key role in entering into the distribution business. Vendors usually prefer distributors who have technical knowledge, logistical expertise and experience in the geographies they cover. A distributor is required to set up a number of sales offices and godowns. Further, the distributor needs to have a strong infrastructure and IT support in order to co-ordinate activities of its network offices and / or godowns on a real time basis. Having more than a decade of working experience in the trading and distribution industry, our Company has the ability to stay ahead of its competition from new entrants.

Scalable Business Model

Our business model is order driven, and comprises of optimum utilization of our trading office and / or godowns across the country, efficient working of our sales and marketing team, management expertise in acquiring new distribution partners and customers, arranging the required working capital for bulk purchases and achieving consequent economies of scale. We believe that this business model has proved successful and scalable for us in the last few financial years. We can scale upward as per the requirement generated by our Company. The business scale generation is basically due to the potential development possibilities of new markets throughout the country including tier – II and tier – III cities, by adopting aggressive marketing of the each product category, acquiring new products for different demographic rein the product range and by maintaining the consistent quality of the product.

For risks related to our business, our Company and our industry, see “Risk Factors” on page no. 20 of this Draft Red Herring Prospectus.

OUR STRATEGY



Continue to develop customer relationships

We plan to grow our business primarily by increasing the number of customers, as we believe that increased customer relationships will add stability to our business. We seek to build on existing relationships and also focus on bringing into our portfolio more customers. Our Company believes that our business is a by-product of relationship. Our Company believes that a long-term customer relationship with large clients fetches better dividends. Long-term relations are built on trust and continuous meeting with the requirements of the customers.

Augment our fund based capacities in order to scale up business operations

The trading and distribution business is characterised by high debtors and advance payments to vendors for bulk purchase of the products. As per the terms of various brand agreements, we purchase bulk quantities of the product and sell the same through online portals or to small traders and / or stockists. While provide ready finance to our vendors by bulk purchase, the credit period enjoyed by us is considerably short. However, in order to maintain cordial relations with our customers who are generally small traders, stockists, retailers and also government agencies, we generally offer substantial credit period to them. Thus our operations are working capital intensive.

It is hence our strategy to raise funds from this issue and augment our fund based working capital capabilities. We believe that companies with high liquidity on their balance sheet would be able to better negotiate with national and multi-national brands for exclusive selling rights and inventory management. With competition from organised and unorganised players in the industry, the brands have various options to choose as their distribution partner and not obligated to appoint us or to continue their existing agreement beyond the initial period. Better liquidity will also provide us with sufficient incentives to ensure the brands prefer us for distributing their products throughout the country. Also, we invest a portion of our working capital to provide ready inventory for online sales. Though we keep a significant amount of inventory blocked for online orders, the revenue generated from each sale is small and high volume of transactions is over a considerable period of time. Funding this working capital requirement from the proceeds of the Issue will also enable us to save a considerable interest cost due to lower working capital borrowings. For further details regarding the working capital being raised through this Issue, please refer to section “*Objects of the Issue*” on page no. 67 of the Draft Red Herring Prospectus.

Increase our product range and brand partners

We currently offer a huge range of products across a variety of product verticals, which gives us an opportunity to create a large customer base. However, the opportunities in the distribution industry are ever expanding and we believe that in order to maintain our growth scale and to create a Pan India distribution hub for our Company, we need to further increase our portfolio. Our management aided by the purchase department and the marketing team, continuously keeps a track on the latest products and different brands having a good market potential. Including such promising products will help us in keeping our product portfolio balanced and also mitigate our vendor / product / brand risk. Also, our aim is to seek out products with long term potential and value addition, thus providing us with better margins and lower inventory risk.

Our strategy of adding more renowned brands also is a means to create better recognition for our Company in the industry. Having major brands across varied products along with the existing online presence will give our Company a robust goodwill and further enhance our bargaining capabilities with our vendors as well as customers.

Increase High Margin Distribution

Our offline trading and distribution business include both volume business and value business products. While volume business provides us considerable revenue boost, our Company intends to concentrate on increasing our focus on the value business products and brands. We believe that the value business will not only provide us with better profit margins but also enhance our trade value as a distribution company. Having a Pan India set-up with the capability and know-how for multiple product distribution, we intend to have bigger and better renowned brands which will provide us with better profit margins and free cash flows.

We further believe that concentrating on value business products and brands will allow us to control / reduce customer attrition by a considerable extent. Traders and stockists look for steady supply of products and we have the required infrastructure to provide the same. Availability of major brands will considerably increase our repeat orders as customers today know the importance of good quality product and brand image. Lastly, we believe that increase in distribution of high value products and brands will also help us in inventory management due to lower volume and thus reduce our risk of old and out-dated goods.

Increase Geographical Presence

Our registered office is currently located in Worli, Mumbai and we have a total of 24 offices and / or godowns across the country. With the existing locations, though we cover 16 States and a considerable market share, we intend to further extend our reach to un-tapped areas mainly in the Southern and Eastern regions. Also, having network offices in multiple cities in existing States will provide us the ability to reach tier-III and rural markets more efficiently and estimate the demand better for building our product portfolio. Besides, increased presence in the national market will also enhance our economies of scale and thus increase our margins and financial position.

DETAILS OF OUR BUSINESS

LOCATION

Our Registered Office is located at 403-405, Sumer Kendra Co-Op Society Ltd., 4th Floor, Behind Mahindra Tower, Pandurang Budhkar Marg, Worli, Mumbai – 400 018. This is our primary location for all billing purpose and administrative purposes.

Besides our Registered Office, we operate from a wide network of locations spread throughout the country, including offices and /or godowns, which help us in our inventory management, marketing activities and enabling us to expand our reach to various urban and rural areas Pan India. For details of our network locations, please refer to the section “*Our Distribution Network – Our Business*” and “*Properties – Our Business*” on page nos. 109 and 114 of this Draft Red Herring Prospectus.

OUR PRODUCT PORTFOLIO

We are a multi-product multi-brand distribution and trading Company. Adding new brands and products to our portfolio has been our constant endeavour and currently, we represent various domestic and global brands, details of which are given below:

Vendor / Brand Name	Product Category
AMPM Fashions	Fashion & Apparels
Daya Fabz	Fashion & Apparels
Delsey	Travel & Luggage
Drekker	Household Items (Toiletries)
Envirofit	Cooking Stoves
EGoss	Shoes & Apparels
Fieldgear	Shoes & Apparels
Fila	Shoes & Apparels
FRES	Household Items (Toiletries)
GIV	Household Items (Toiletries)
I-Charge / I Charge Pro	Consumer Electronics
JJ Valaya	Apparels & Lifestyle
Kokan Mahila Vikas	Food Products
MAX-Link	Household Items (Scrubbers)
Myriad Activewear	Women's Clothing & Accessories
NATURAL	Household Items (Toiletries)
New Balance	Shoes & Apparels
Niavo	Shoes
Nida Mahmood	Fashion & Apparels
Nike	Shoes & Apparels
Ninewest	Shoes & Apparels
Nidhi Munim	Women's Clothing & Accessories
Nippo	Batteries & Torches
Nivia	Shoes
Paris Hilton	Apparels & Lifestyle
Precise	Shoes
Puma	Shoes & Apparels
Relaxo	Shoes & Apparels
Rina Dhaka	Fashion & Apparels
Ritu Kumar	Fashion & Apparels
Rocky-S	Apparels & Lifestyle
Skechers	Shoes & Apparels
Sprandi	Shoes & Other Footwear
Sugarush	Travel & Luggage
Taylormade Golf	Shoes & Sports accessories
Tigon	Household Items (LED & Fluorescent Lights)
Tiktauli.De.Corps	Shoes & Apparels
TN Elan Designs	Fashion & Apparels
Tommy Hilfiger	Apparels & Lifestyle
Unistar	Shoes
Vertical	Clothing & Fashion Accessories
Woodlands & Woods	Shoes & Accessories

Besides the above, we deal in various other products where we do not have any fixed agreement for distribution. These include well known products / brands which we market through third party distributors and also various local products as detailed below:

- *White Goods* – We trade in various brands of TVs, Refrigerators, Ovens, Washing Machines, Air Conditioners, Invertors, etc.
- *Consumer Digital Electronics* – Laptops, Tablets, Mobiles, Mobile & Computer Accessories of various types & brands form part of our product portfolio
- *Apparels, Garments, Fabrics and Textiles* – This mainly includes finished apparels which are procured and sold locally. We provide our suppliers with ready finance by bulk purchase and sell to various stockists in the region.

- *Agro & Other Commodities* – This mainly includes agro commodities like Rice, Tea, Salt, Papad, Urad Daal, Chana Dal, Moong Dal, Bazra and Wheat Dara and other commodities like cement and BSF Slag which are procured and sold locally. We provide our suppliers with ready finance by bulk purchase and sell to various stockists in the region.
- *Household Items* – We trade in volume products for household use like soaps, scrubbers, glides and other household hardware products. These include local as well as branded products.
- *Office Electronics* – Printers, Scanner, Printer Accessories, etc. from various brands form part of our trading product portfolio.

The above products, brands and local are sold via e-commerce channels i.e. online as well as offline distribution channels across the country. Our network offices and godowns aid us in reaching to a large number of urban and rural areas for marketing our products.

In the year 2008, our Company had developed and registered an in-house brand for various products like torches and shoes known as “Tigon”. The manufacturing of these products is outsourced by us and they are manufactured by 3rd party manufacturers. These manufacturers make the products based on designs and specifications provided by us and the use our registered trademark of “Tigon” on these products. The products of our in-house brands are sold through the online portals and also through offline channels to several small traders. We take an active part in marketing these products to various traders, stockists and retailers, and also on designing the displays at the e-commerce shopping portals.

PLANT & MACHINERY

Since our Company is not involved in any manufacturing activities, we do not have any plant and machinery which is used in manufacture any product.

BUSINESS PROCESS

Distribution business is a working capital intensive business. Inventory management and receivables management play a key role in managing the working capital. Efficient management of working capital determines the success in our business. In addition, having a large product portfolio along with a Pan India distribution network entails critical management of the above parameters.

We adhere to the following practices, to address the above-mentioned issues of inventory and accounts receivable management.

- ***Inventory management***

As a part of our inventory management process, our network offices / godowns, including our registered office, which are in direct touch with the customers/market, estimate and give the demand projection for various products and brands. These projections are continuously updated and consolidated by a combination of marketing and procurement team. The department heads, at our registered office in Worli, Mumbai, use the consolidated product-wise demand projection to place orders with vendors. As an integral part of our risk management procedure, the orders are reviewed seamlessly using our organisational expertise built over the time, prior to releasing the same with vendors.

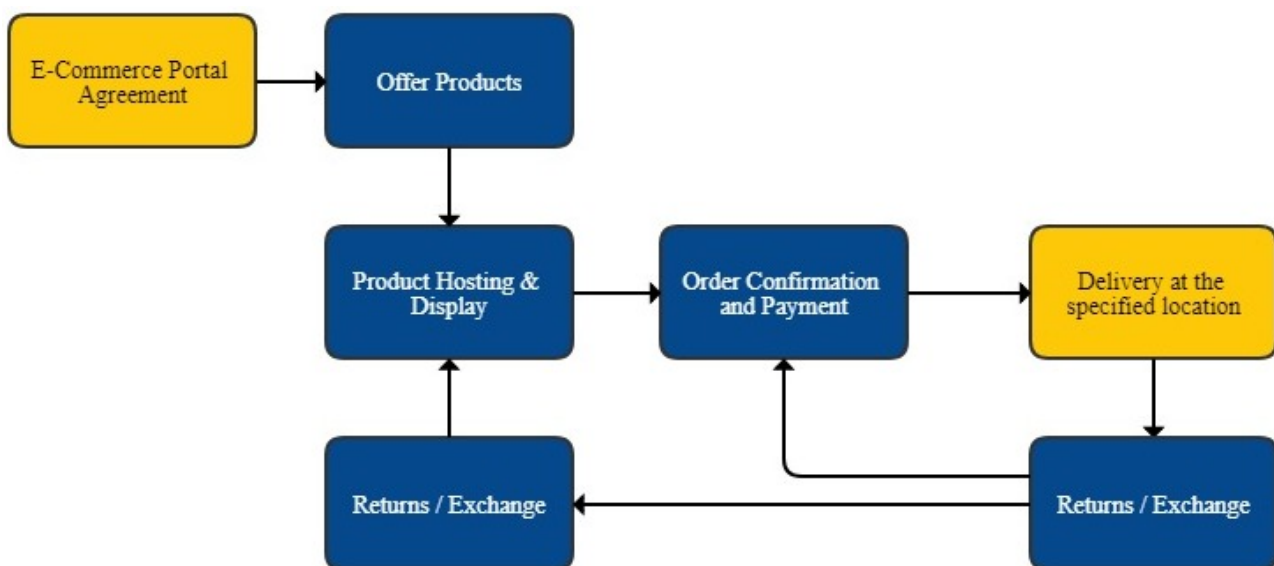
Since, we deal with multiple product distribution, different vendors / manufacturers adopt a price protection mechanism for stocks with their distributors in case of any price reductions announced by vendors for existing products. This price protection mechanism is usually applicable for stocks lying with the distributors which have been purchased within a specified period of time. This mechanism, to a large extent, protects the distributors from the price reduction risk. Accordingly, we employ a process to continuously monitor the ageing of stocks. Norms are placed on the extent of over-ageing of stocks which are carried on the basis of product category. In addition, we have defined processes for physical verification of stocks and we have periodical physical verifications carried out at the warehouse level.

- **Accounts receivables management**

We have a wide distribution network, spread across the country including various channel partners and stockists registered with us and also numerous local traders and retailers. Majority of them enjoy credit facility depending upon our assessment of their creditworthiness and upon the value of sales. We have an adequate credit assessment system which takes into account various parameters and then assigns a credit limit to each dealer. Dealer accounts are reviewed and monitored on a periodic basis. We provide customized credit offering depending upon the requirement of the customers. Our credit offerings are highly valued by our customers since they enhance their capacity to access large business which they would not otherwise be able to access and it also enhances their return on investment. We have a dedicated credit team at our registered office, which effectively manages our credit risk based on feedback received from various network offices.

Our processes for online sales and offline sales differ significantly due to their inherent product nature. Though each transaction under the online or offline process may vary due to the nature and / or product being sold, the basic process for each is explained briefly below:

Online Sales



- **E-commerce Portal Agreement**

Our Company has entered into an agreement with several e-commerce platform providers and the same allows us to host our products on their website, use their payment gateway, store and record the goods in their warehouses and also assist in delivery / after-sale services.

- **Assessing market demand, trends, etc. to determine which products to offer online**

Our sales and marketing team provides feedback, based on their field study of each market location across the country, the online buying patterns, the latest trends, price range of online purchases for different product categories, etc. Based on these studies, our management finalises the products which will be appealing to the online consumers in terms of design, price and usability.

- **Product display, description and pricing**

The marketing team then creates a display profile for these products, which mainly includes showcasing the product images from various angles, detailing the product dimensions, size and colours and providing other detailed description regarding its features, uses, durability, etc. Also, our team decides the return policy for different products offered by us based on factors such as perishable or non-perishable, durability, re-sale value and more importantly the return policy agreed to between our Company and the respective product / brand in our distribution agreement.

- *Order Confirmation and Payment*

Once the buyer decides to buy a product from the online portals, the website provides payment options including online payment or cash on delivery. Based on the option selected by the buyer, the order placed is recorded by our marketing team monitoring and maintaining all online sales. The order request is forwarded to the logistics team along with the payment details.

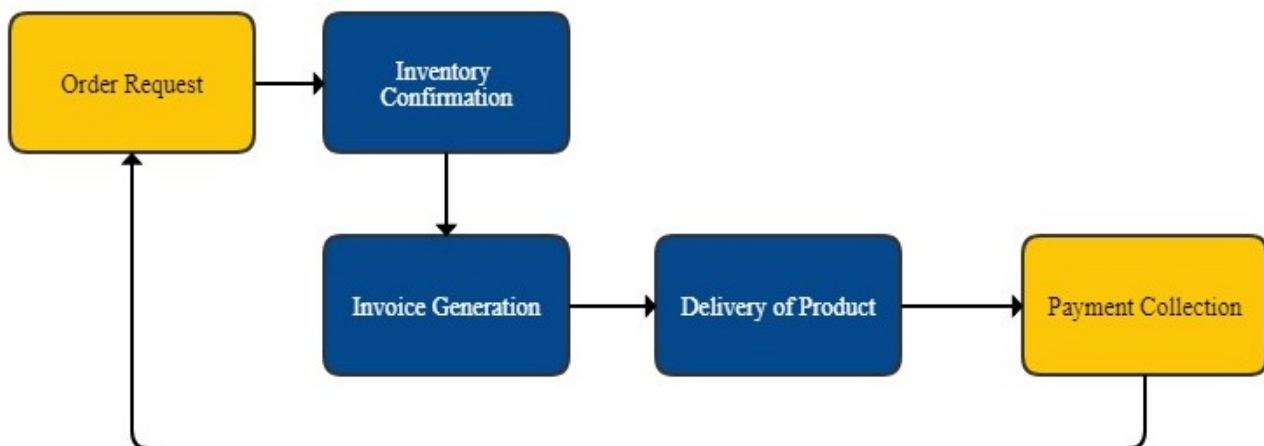
- *Delivery through APoBs or through our network offices*

The logistics team ensures availability of the product, either with the e-commerce warehouse, which are used by us as an APoB, or with a network office / godown, nearest to location of order placed. If we have complete fulfilment agreement with the said e-commerce portal, then the goods are shipped and delivered to the customer by the e-commerce company itself. In other cases, we have independent tie – ups with delivery companies like Delhivery Private Limited and DTDC for fulfilment of the delivery of online sale products.

- *Refunds / Cancellations*

Our marketing and logistics team, in accordance with the e-commerce fulfilment terms are well prepared to cater to any return requests and / or exchange requests. The product is collected from the customer’s location by the fulfilment agency and the online payment received, if any, is credited to the buyer’s account and appropriate transactions are recorded by us. In case of exchange, our online sales team ensures that the revised order is delivered as per the above steps, including collection of the earlier product from the customer.

Offline Sales



- *Order Request*

Our sales and marketing team constantly maintain relations various traders, stockists and / or retailers and procure the orders for different products in various locations across the country. The orders received are forwarded to our main marketing centre at our registered office where the management assess the order based on customer credit-worthiness, quantity, price offered and existing relationship with the said customer.

- *Inventory confirmation*

The office and / or godown in the specific locations confirm the availability of the required products in the required quantity. In case of shortfall, the products are transported to the specified location and the order is confirmed to the customer detailing the delivery period, payment terms and logistics terms.

In some cases, based on the distribution agreement entered into between our Company and the brand / manufacturer, we update the order requirement to the said brand / manufacturer. These products are not stored by us in bulk and the same is provided by the vendor as per requirement.

- *Invoice generation / Sale*

The vendor generates and forwards to us the invoice for the order which is sent to the customer. Where, the products are already purchased by us in bulk quantities, our accounts department generates the invoice and forwards the same to the customer. Generally, the invoices generated require an advance payment which is collected from the customer before affecting the delivery of the products.

- *Delivery of the Products*

Upon confirmation of the advance payment, the goods are delivered from the concerned godown. We have our own delivery vehicles in certain locations, while we use third party logistics in some locations, depending upon the size of market and external logistics cost viability.

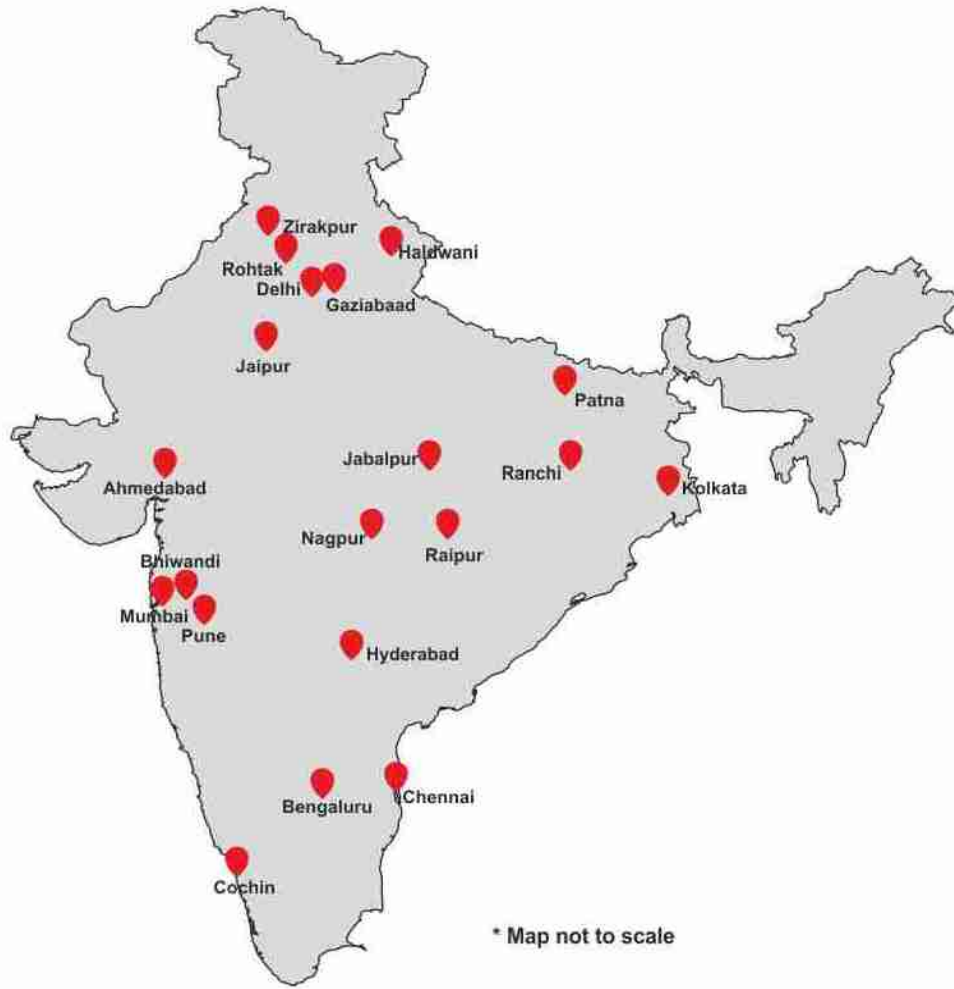
- *Collection of payment*

Once the goods are delivered, the final payment is collected by our Company. We generally give different credit period for different customers based on our relationship with them and their internal credit rating. Our sales team ensures the transaction is completed in cordial manner so as to continue repeat orders from our existing customers.

OUR DISTRIBUTION NETWORK

We are a product marketing company involved in the trading and distribution of various products in multiple verticals which are marketed and sold on a Pan India basis. We have the ability to cover a large number of urban, semi-urban and rural markets due to our national presence. We currently have 24 locations spread across the country with office and / or godowns covering 16 States which gives us a significant portion of the national markets. The below map indicates our locational spread:

**JSK MARKETING LIMITED
ALL INDIA LOCATIONS**



For details of the above locations, please refer to the section “*Properties – Our Business*” on page no. 114 of this Draft Red Herring Prospectus.

Our Geographical Reach

Being in the distribution business, the geographical reach we can offer to our vendors assumes a great importance. We have a Pan India presence with 24 sales offices and / or godowns. The region-wise distribution of our offices is given below:

Region	Location where office are situated	Total no. of offices / godowns in the region
North	Delhi, Ghaziabad, Haldwani, Jaipur, Rohtak, Zirakpur	7
East	Kolkatta, Ranchi, Patna	4
West	Mumbai, Bhiwandi, Nagpur, Pune, Ahmedabad	7
South	Bengaluru, Chennai, Kochi (Cochin), Hyderabad	4
Central	Jabalpur, Raipur	2
Total		24

Our network offices are controlled by branch managers / sales supervisors, who undertake the function of building, sustaining and marketing the products / brands thus maintaining our distribution partner relationships. They are in direct contact with the stockists, local traders and retailers and are responsible for ensuring that the sales targets given to them are met and also all the outstanding dues are collected on time. They are also responsible for providing our

marketing and procurement team at our registered office with an estimate of the demand for different product categories / brands based on customer needs, market sentiments, current trends, etc.

A significant of our sales of our distribution branded products is through the online e-commerce platforms. We have entered into agreement with various prominent e-commerce web portals for display and sale of our products on their website. For the ease of logistics and as per terms of specific agreements with these online platforms, we have registered certain Fulfilment Centres where the products are stored. These locations, defined under the GST law as Additional Place of Business (APoB) are owned / maintained by respective online platforms and our Company pays them for the storage of our products. The details of these APoBs are as below:

Sr. No.	State	Number of Additional Place of Business
1.	Haryana	7
2.	Gujarat	1
3.	Maharashtra	3
4.	Karnataka	2
5.	Tamil Nadu	1
6.	Telangana	3
Total		17

These APoBs allow us easy access of our products and in turn helps us by providing timely delivery to the end customers.

MARKETING SET-UP

The efficiency of the marketing and sales network is critical success of our Company. Our success lies in the strength of our relationship with our customers who have been associated with our Company. Our Company also endeavours to enter into distribution agreement with new partners and brands based on our internal study and demand estimates. Our internal studies also enable us introduce new distributors to further market our products in remote geographical areas where our presence is still untouched and also establish new branch offices to provide direct customer services. Our team through their vast experience and good rapport with clients, owing to timely and quality delivery of service, plays an instrumental role in creating and expanding a work platform for our Company. We believe our relationship with the clients is established as we receive repeat order flows. To retain our customers, our team regularly interacts with them and focuses on gaining an insight into the additional needs of customers.

Our e-commerce sales require constant monitoring, designing and execution. The online portals essentially require the display to be appealing, informative and at the same time user friendly. We have a dedicated team for managing all online sales and are responsible for constantly updating new products on the portals, following up on its order status, co-ordinating with logistics department for delivery of the product, replenishing the storage units and also deal and satisfy customers in case of returns and complaints.

Our Offline sales include creating and maintaining relations with various stockists / traders and local dealers. Though local dealers are generally dealt with on the basis of demand and geographical reach, we have tie-ups with several stockists in different regions for efficient distribution of our products. Distribution for our products like consumer electronics, household items, batteries & torches, agro & other commodities, etc. are generally sold to stockists in these areas who in turn sell the products to local traders and retailers.

One of major network of stockists is used for distribution of Nippo batteries, Nippo torches, Nippo LED-lamps and Nippo mosquito bats in the western, eastern and northern region. We have a network of 470 stockists in the in the said region especially for Nippo and other household products. Also, our team visits various retail counters where our products eventually are sold from, thus acquiring direct feedback and customer response. The number of stockists registered in each location is determined by various factors like the local market scenario, type of product, entry barriers, market penetration of the stockists and demographic trends, to name a few. The location-wise concentration of stockists for Nippo and household products is given below:

Sr. No.	Region / State	Number of Stockists
1.	Noth - Rajasthan	148
2.	East – Jharkhand	62
3.	West – Maharashtra	260

The southern region is mainly characterised by sales made to traders and retailers who transact on order basis. Our marketing team in the southern region reaches out to individual traders / retailers in locations where we have presence and ensures cordial relations and good credit terms resulting in continuous business from the existing customers.

INSTALLED CAPACITY AND CAPACITY UTILISATION

Since our Company is not involved in any manufacturing activities, installed capacity and capacity utilisation is not applicable to us.

RAW MATERIALS

Since our Company is not involved in any manufacturing activities, no raw materials are procured.

UTILITIES

Power

Our registered office has adequate power supply position from the public supply utilities.

Our network offices and godowns also have adequate power supply from the respective local electricity supply companies in each location.

Water

Water, for our Registered Office and at our network offices / godowns is mainly used for drinking and sanitation purposes and the same is in adequate supply from various public supply utilities in their respective locations.

Infrastructure & Communication

Our Registered Office situated at Worli, Mumbai is well equipped with computer systems, internet connectivity, telecommunications equipment, security and other miscellaneous facilities which are required for our business operations to function smoothly.

COMPETITION

The distribution and trading industry in India, while fragmented and largely unorganised, is highly competitive. We expect to face increased competition from large domestic distribution companies. We compete for the sale of our products. We believe that we are able to distinguish ourselves from our competitors on the basis of our strong Pan India presence, our established network and reputation, the locational convenience to our suppliers and customers and the timeliness & availability of bulk product deliveries.

We also compete to acquire distribution rights for major brands and products across various product verticals. The availability of distribution channels for each product category differs from each other and we compete on our ability to cover higher market share in a given location for a particular product category. However, we believe that our wide network Pan India and our established marketing set-up provides us with a competitive advantage when competing for such distribution rights and for trading other products, as we believe that the vendors and manufacturers recognise the market reach and premium distribution that may be obtained by partnering with us.

We compete with various organised and unorganised players across the country and also with various regional traders and distributors. We compete against our competitors by establishing ourselves as a knowledge-based trading company with cordial relations with various suppliers in all our regions of trade, which enables us to provide our customers with bulk quantities at reasonable rates to meet their requirements.

MANPOWER

Currently, our Company has a total of 192 employees. The breakdown of our employees by business activity is summarized in the following table:

Business Activity	Number of Employees
Directors	1

KMPs	8
Finance and Accounts	28
Marketing and Sales	106
Human Resources and Administrative Work	20
E-Commerce	3
Warehouse / Godown	8
Drivers	18
Total	192

INTELLECTUAL PROPERTY

We have registered following Intellectual properties with the Trade Mark Registry:

Sr. No.	Particulars of the mark	Applicant	Word/ Label Mark	Trademark Certificate Number	Issuing Authority	Class	Status & Validity
1.		JSK Marketing Limited	Device	1828796	Registrar of Trade Marks	9	Registered till 23/11/2022
2.		JSK Marketing Limited	Device	1828797	Registrar of Trade Marks	9	Registered till 23/11/2022
3.		JSK Marketing Limited	Device	2015270	Registrar of Trade Marks	9	Registered till 12/03/2025
4.		JSK Marketing Limited	Device	2016044	Registrar of Trade Marks	14	Registered till 12/03/2025
5.	PRODAL	JSK Marketing Limited	Word	1160358	Registrar of Trade Marks	30	Registered till 18/10/2021
6.	TALASSIST	JSK Marketing Limited	Word	1173276	Registrar of Trade Marks	9	Registered till 24/06/2020
7.		JSK Marketing Limited	Device	926767	Registrar of Trade Marks	99 ⁽¹⁾	Registered till 17/03/2028
8.		JSK Marketing Limited	Device	827549	Registrar of Trade Marks	99 ⁽¹⁾	Registered till 04/02/2028
9.	TIGON	JSK Marketing Limited	Word	811796	Registrar of Trade Marks	99 ⁽¹⁾	Registered till 04/02/2028

⁽¹⁾ Indicates Multiclass Application

We have applied for the following Intellectual properties, pending registration with the Trade mark Registry:

Sr. No.	Particulars of the mark	Applicant	Word/Label Mark	Trademark Application Number	Class
1.	E.IFFE	JSK Marketing Limited	Word	3332151	25

INSURANCE

Our operations are subject to various risks inherent in the Trading and Distribution industry as well as fire, earthquake, flood, acts of terrorism and other force majeure events. Our insurance cover includes, among others, standard fire and

special perils policy and motor goods carrying vehicle policy for various locations across the Country. In addition to the aforesaid, we have availed a Keyman Insurance policy for our Promoter and Managing Director, Mr. Kunal Jiwrajka.

We believe that our insurance coverage is in accordance with industry custom, including the terms of and the coverage provided by such insurance. Our policies are subject to standard limitations and, in the case of business interruption insurance, among other things, limitations apply with respect to the length of the interruption covered and the maximum amount that can be claimed. Therefore, insurance might not necessarily cover all losses incurred by us and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies. For details, please refer the Risk Factor – “*Our insurance coverage may not be adequate to protect us against all potential losses, which may have a material adverse effect on our business, financial condition and results of operations*” on page no. 37 of this Draft Red Herring Prospectus.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company intends to make a positive difference to society and contribute its share towards the social cause of betterment of society and area in which companies operates. The Company also believes in the trusteeship concept. This entails transcending business interests and working towards making a meaningful difference to the society.

In this regard, the Company has made this policy which encompasses the Company's philosophy for delineating its responsibility as a Corporate Citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large and titles as the "Corporate Social Responsibility (CSR) policy" which is based as per the companies Act, 2013 and rules framed there under.

Our CSR activities are primarily focused on, empowerment of women and ending violence against women in the areas of West Bengal. Besides, our Company is on the process of evaluating other avenues of CSR activities as outlined by the Companies Act, 2013.

PROPERTY

Properties taken on license/lease by our Company

Sr. No	Details of the Property	Name of Lessor(s)	Amount	Purpose
1.	Property situated at 9, 2nd Floor, KRISHNA KASTURI, 1 st Main Road, Ashwath Nagar, Sanjay Nagar Main Road, Bengaluru – 560 094	Mr. Ashok Shetty	Rent : ₹ 10,000 per month ⁽¹⁾ Security Deposit: ₹ 50,000	Office cum Godown
2.	Property situated at Gala No. 5, 6, 7, 8, 9 and 10, Ground Floor, G. P. House, Mauje Globe Complex N/1 Building, Owali, Bhiwandi, Thane	1) Mrs. Meena Patil; 2) Mr. Ravikant Patil; 3) Mrs. Sangeeta Patil; 4) Mrs. Yogita Patil; 5) Mr. Ashok Patil; 6) Mr. Prakash Patil; 7) Mr. Devidas Patil; 8) Mr. Ramesh Patil; 9) Mr. Anant Patil	Rent : ₹ 2,06,250 per month ⁽¹⁾ Security Deposit: ₹ 6,00,000	Godown
3.	Property situated at Old No. 8, New No. 6 1 st Floor, Murugesan Street Balavinayagar Nagar, Arumbakkam, Chennai -600 106	Mrs. A. Selvi	Rent : ₹ 19,500 per month Security Deposit: ₹ 1,20,000	Office
4.	Property situated at 56/512 - A, 1 st Floor, Eliza Villa, Parambaithara Cross Road, Cochin – 682 036	Mr. Shone Thomas Mathew	Rent : ₹ 8,000 per month Security Deposit: ₹ 30,000	Office
5.	Property situated at Property No. 81, Riddhi Siddhi Complex, Office No. 201, 2 nd Floor, Vikas Marg, Laxmi	1) Mrs. Seema Gupta 2) Mrs. Rajni Gupta	Rent : ₹ 6,000 per month	Residential Purpose

Sr. No	Details of the Property	Name of Lessor(s)	Amount	Purpose
	Nagar, Delhi – 110 092		Security Deposit: ₹ 12,000	
6.	Property situated at 3 rd / M-30-B, 1 st Floor, Nehru Nagar, Ghaziabad	Mr. Subhash Chand Goyal	Rent : ₹ 4,500 per month Security Deposit: ₹ 9,000	Office cum Godown
7.	Property situated at Opposite Kanta Petrol Pump, Rampur Road, Haldwani – 263 139	Mr. Basant Kumar Aggarwal	Rent : ₹ 2,100 per month Security Deposit: Nil	Residential Purpose
8.	Property situated at Plot No. 54, DLR Enclave, Sainikrupa, Secunderabad – 500 094	Mr. Mirza Samiulla	Rent : ₹ 6,000 per month Security Deposit: Nil	Office
9.	Property situated at JDA Scheme No. 9, Plot No. 319, Shanti Nagar, Damohnaka, Jabalpur (M.P.)	Mrs. Shikha Jain	Rent : ₹ 13,313 per month Security Deposit: ₹ 23,000	Office cum Godown
10.	Property situated at B-142, Road No. 9D, VKI Area, Jaipur – 302 013	S. M. Conductors Pvt. Ltd.	Rent : ₹ 20,027 per month Security Deposit: ₹ 33,000	Godown
11.	Property situated at Premises No. 112, Ground Floor, Ashokegarh, Kolkata – 700 108	Mrs. Gopa Paul ⁽²⁾	Rent : ₹ 4,300 per month Security Deposit: ₹ 10,000	Office
12.	Property situated at Office No. 64-65, Verma Layout, Khadgaon Road, Wadi, Nagpur – 440 023	M/s. J. P. Modi & Sons	Rent : ₹ 13,452 per month Security Deposit: ₹ 15,000	Office
13.	Property situated at Plot No. 355, Behind NRL Petrol Pump, Patel Seva Nagar, Agam Kuan, Patna – 800 026	Mrs. Poonam Kumari	Rent : ₹ 8,890 per month Security Deposit: ₹ 39,500	Office cum Godown
14.	Property situated at S. No. 189, 2/A, Pune Saswad Road, Near Hindustan Lever Co., Phursungi, Pune – 412 308	1) M/s. Shiv Prasad Warehousing; 2) Mr. Harshad Satav; 3) Mrs. Kumudini Satav; 4) Mr. Vilas Satav; 5) Ms. Anuprita Satav	Rent : ₹ 63,000 per month Security Deposit: ₹ 1,10,000	Godown
15.	Property situated at Block No. 1 & 2, 687/2B, Parijat CHS, Plot No. 1, Bibwewadi, Pune – 411 037	1) Mr. Ramchandra Godbole 2) Mr. Paresh Godbole	Rent : ₹ 64,954 per month Security Deposit: ₹ 97,000	Office cum Godown
16.	Property situated at 21, Ravi Nagar, Raipur (C. G.)	Mrs. Sadhna Dugger	Rent : ₹ 9,000 per month Security Deposit: ₹ 27,000	Office cum Godown

Sr. No	Details of the Property	Name of Lessor(s)	Amount	Purpose
17.	Property situated at Plot No. 719/A, Khatta No. 11, Tel Mill Lane, Piska More, Village Hehal, Sukhdeonagar, Ranchi – 834 005, admeasuring approx. 800 sq. ft.	Mrs. Mridul Choudhary	Rent : ₹ 11,550 per month Security Deposit: Nil	Godown
18.	Property situated at Plot No. 718/B, Khatta No. 11, Tell Mill Lane, Piska More, Village Hehal, Sukhdeonagar, Ranchi – 834 005	Mr. Hariday Upadhyay	Rent : ₹ 19,000 per month Security Deposit: ₹ 37,500	Office cum Godown
19.	Property situated at 49, 1 st Floor, Pratap Nagar, DLF Colony, Rohtak – 124 001	Mr. Dhapat Rai Aneja	Rent : ₹ 1,500 per month Security Deposit: Nil	Office
20.	Property situated at Plot No. 6, 1 st Floor, Jangra Complex, Near Choice Resorts, Chandigarh Ambala Highway, Derabassi, SAS Nagar Mohali, Zirakpur	Mr. Tanvir Aspal	Rent : ₹ 6,000 per month Security Deposit: ₹ 6,000	Office

⁽¹⁾ The rent will be increased by 10% at the time of each renewal

⁽²⁾ The said rent agreement has been entered between the Lessor and Mr. Kunal Jiwrajka, Managing Director of the Company. However, the rent of the said premises is paid by our Company and the premises are also used by our Company for its business purpose.

Besides, the above rented properties, our Company also uses the below mentioned properties, which are owned by our Promoter Group Entity – M/s. Associated Electrical Agencies (“**AEA**”).

Sr. No.	Details of the Property	Purpose
1.	Property situated at 51 Raghuvir Estate, National Highway No.8, Aslali, Ahmedabad – 382 425	Godown
2.	Property situated at A-11/1, A-11/2, A-11/3, A-11/4, Premium House, B/H Handloom House, Elis Bridge, Ahmedabad – 380 006	Office
3.	Property situated at B-2, SS Tower, 2 Floor, New Colony, Jaipur – 302 001	Office
4.	Property situated at 403-405, Sumer Kendra Co-Op Society Ltd, 4 th Floor, Behind Mahindra Tower, Pandurang Budhkar Marg, Worli, Mumbai - 400 018	Registered Office

There is no formal agreement between AEA and our Company for the leasing the said premises. However, AEA has issued a NoC to our Company for using the said premises for our business purposes.

KEY REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to the Company being a part of trading and distribution of various products involving multiple brands and local products. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations and policies set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional advice. The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For details of such approvals, please see “Government and other Statutory Approvals”.

A. LABOUR LAWS

Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1972 provides for payment of gratuity to employees employed in factories, shops and other establishments who have put in a continuous service of 5 (five) years, in the event of their superannuation, retirement, resignation, death or disablement due to accidents or diseases. The rule of ‘five year continuous service’ is however relaxed in case of death or disablement of an employee. Gratuity is calculated at the rate of 15 (fifteen) days’ wages for every completed year of service with the employer. Presently, an employer is obliged for a maximum gratuity payout of ₹ 10,00,000/- for an employee.

Maternity Benefit Act, 1961

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

Equal Remuneration Act, 1979

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

Shops and Establishments Acts

The provisions of various Shops and Establishment legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations, inter alia, in respect of registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

In addition to the above, our Company is also required to comply with the provisions of the Companies Act and rules framed thereunder and other applicable statutes imposed by the Centre or the State Government and authorities for our day-to-day business and operations.

The following are the Shops and Establishment Regulations under the various jurisdictions applicable to our Company:

1. Gujarat Shops and Establishment Act, 1948
2. Karnataka Shops and Establishment Act, 1961
3. Maharashtra Shops and Establishments (Regulation of Employment and Condition of Service) Act, 2017
4. Tamil Nadu Shops and Establishment Act, 1947
5. Kerala Shops and Commercial Establishment Act, 1960
6. Delhi Shops and Establishment Act, 1954

7. Uttar Pradesh Shops and Commercial Establishment Act, 1962
8. Bihar Shops and Establishment Act, 1953
9. Uttarakhand Shops and Establishment Act, 2001
10. Telangana Shops and Establishment Act, 1988
11. Madhya Pradesh Shops and Establishment Act, 1958
12. Chhattisgarh Shops and Establishment Act, 1958
13. Rajasthan Shops and Establishment Act, 1958
14. West Bengal Shops and Establishment Act, 1963
15. Jharkhand Shops and Establishment Rules, 2001
16. Punjab Shops and Establishment Act, 1958

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

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

B. TAX RELATED LEGISLATIONS

Income-tax Act, 1961

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

Central Goods and Services Act, 2017

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

Integrated Goods and Services Tax Act, 2017

Integrated Goods and Services Tax Act, 2017 (“IGST Act”) is a Central Act enacted to levy tax on the supply of any goods and/ or services in the course of inter-State trade or commerce. IGST is levied and collected by Centre on interstate supplies. The IGST Act sets out the rules for determination of the place of supply of goods. Where the supply involves movement of goods, the place of supply shall be the location of goods at the time at which the movement of goods terminates for delivery to the recipient. The IGST Act also provides for determination of place of supply of service where both supplier and recipient are located in India or where supplier or recipient is located outside India. The provisions relating to assessment, audit, valuation, time of supply, invoice, accounts, records, adjudication, appeal etc. given under the CGST Act are applicable to IGST Act

C. OTHER REGULATIONS

Transfer of Property Act, 1882

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

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

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

Mortgage: The transfer of an interest in property for the purpose of securing the payment of a loan, existing or future debt, or performance of an engagement which gives rise to a pecuniary liability. The T.P. Act recognises several forms of mortgages over a property.

Charges: Transactions including the creation of security over property for payment of money to another which are not classifiable as a mortgage. Charges can be created either by operation of law, e.g. decree of the court attaching to specified immovable property, or by an act of the parties.

Leases: The transfer of a right to enjoy property for consideration paid or rendered periodically or on specified occasions.

Leave and License: The transfer of a right to do something upon immovable property without creating interest in the property.

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

Registration Act, 1908

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

Indian Stamp Act, 1899

Stamp duty in relation to certain specified categories of instruments as specified under Entry 91 of the list, is governed by the provisions of the Indian Stamp Act, 1899 (“**Stamp Act**”) which is enacted by the Central Government. All others

instruments are required to be stamped, as per the rates prescribed by the respective State Governments. Stamp duty is required to be paid on all the documents that are registered and as stated above the percentage of stamp duty payable varies from one state to another. Certain states in India have enacted their own legislation in relation to stamp duty while the other states have adopted and amended the Stamp Act, as per the rates applicable in the state. On such instruments stamp duty is payable at the rates specified in Schedule I of the Stamp Act.

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

Indian Contract Act, 1872

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

Specific Relief Act, 1963

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

Consumer Protection Act, 1986

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

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

Competition Act, 2002

The Competition Act, 2002 (“**Competition Act**”) aims to prevent anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The Competition Act regulates anti-competitive agreements, abuse of dominant position and combinations. The Competition Commission of India (“**Competition Commission**”) which became operational from May 20, 2009 has been established under the Competition Act to deal with inquiries relating to anti-competitive agreements and abuse of dominant position and regulate combinations.

The Competition Act also provides that the Competition Commission has the jurisdiction to inquire into and pass orders in relation to an anti-competitive agreement, abuse of dominant position or a combination, which even though entered into, arising or taking place outside India or signed between one or more non-Indian parties, but causes an appreciable adverse effect in the relevant market in India.

Companies Act, 2013

The Companies Act, 2013 (“**Companies Act**”), has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Companies Act deals with laws relating to companies and certain other associations. The Companies Act primarily regulates the formation, financing, functioning and winding up of companies. The Companies Act prescribes regulatory mechanism regarding all relevant aspects, including organizational, financial and managerial

aspects of companies. It deals with issue, allotment and transfer of securities and various aspects relating to company management. It provides for standard of disclosure in public issues of capital, particularly in the fields of company management and projects, information about other listed companies under the same management, and management perception of risk factors.

The Trademarks Act, 1999

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

D. REGULATIONS REGARDING FOREIGN INVESTMENT

Foreign Exchange Management Act, 1999 (“FEMA”)

Foreign investment in companies in the trading sector is governed by the provisions of the Foreign Exchange Management Act, 1999 (“**FEMA**”) read with the applicable regulations. The Department of Industrial Policy and Promotion (“**DIPP**”), Ministry of Commerce and Industry has issued the Consolidated FDI Policy which consolidates the policy framework on Foreign Direct Investment (“**FDI Policy**”), with effect from August 28, 2017. The FDI Policy consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP till August 27, 2017. All the press notes, press releases, clarifications on FDI issued by DIPP till August 27, 2017 stand rescinded as on August 28, 2017.

In terms of the FDI Policy, foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which foreign investment is sought to be made. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA Regulations has now been entrusted to the concerned Administrative Ministries/Departments.

FDI for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Where FDI is allowed on an automatic basis without the approval of the Government, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment. In cases where Government approval is obtained, no approval of the RBI is required except with respect to fixing the issuance price, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company.

The RBI, in exercise of its power under the FEMA, has also notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 to prohibit, restrict or regulate, transfer by or issue of security to a person resident outside India.

One of the activity the Company is engaged in is inventory based e-commerce. The FDI Policy issued by the DIPP permits does not permit foreign investment in the Inventory based model of E-commerce and permits foreign investment upto 51% in the multi-brand retail sector under the government route subject to certain conditions which are mentioned below.

Cash and Carry Wholesale Trading/ Wholesale Trading

Cash & Carry Wholesale trading/Wholesale trading, would mean sale of goods/merchandise to retailers, industrial, commercial, institutional or other professional business users or to other wholesalers and related subordinated service providers. Wholesale trading would, accordingly, imply sales for the purpose of trade, business and profession, as opposed to sales for the purpose of personal consumption. The yardstick to determine whether the sale is wholesale or not would be the type of customers to whom the sale is made and not the size and volume of sales. Wholesale trading would include resale, processing and thereafter sale, bulk imports with ex-port/ex bonded warehouse business sales and

B2B e-Commerce.

Further, Cash & Carry Wholesale Trading/Wholesale Trading (“WT”) is subject to the following conditions:

- a. For undertaking WT, requisite licenses/ registration/ permits, as specified under the relevant Acts/ Regulations/ Rules/ Orders of the State Government/ Government Body/ Government Authority/ Local Self Government Body under that State Government should be obtained.
- b. Except in case of sales to Government, sales made by the wholesaler would be considered as ‘cash & carry wholesale trading/wholesale trading’ with valid business customers, only when WT are made to the following entities:
 - i. Entities holding sales tax/ VAT registration/service tax/excise duty registration; or
 - ii. Entities holding trade licenses i.e. a license/registration certificate/membership certificate/registration under Shops and Establishment Act, issued by a Government Authority/Government Body/Local Self-Government Authority, reflecting that the entity/person holding the license/ registration certificate/ membership certificate, as the case may be, is itself/ himself/herself engaged in a business involving commercial activity; or
 - iii. Entities holding permits/license etc. for undertaking retail trade (like teh bazari and similar license for hawkers) from Government Authorities/Local Self Government Bodies; or
 - iv. Institutions having certificate of incorporation or registration as a society or registration as public trust for their self-consumption.

An entity, to whom WT is made, may fulfill any one of the 4 (four) conditions stated above.

- a. Full records indicating all the details of such sales like name of entity, kind of entity, registration/license/permit etc. number, amount of sale etc. should be maintained on a day to day basis.
- b. WT of goods would be permitted among companies of the same group. However, such WT to group companies taken together should not exceed 25% of the total turnover of the wholesale venture.
- c. WT can be undertaken as per normal business practice, including extending credit facilities subject to applicable regulations.
- d. A wholesale/cash & carry trader can undertake retail trading, subject to the conditions applicable. An entity undertaking wholesale/cash and carry as well as retail business will be mandated to maintain separate books of accounts for these two arms of the business and duly audited by the statutory auditors. Conditions of the FDI Policy for wholesale/cash and carry business and for retail business have to be separately complied with by the respective business arms.

E-commerce

E-commerce means buying and selling of goods and services including digital products over digital & electronic network.

E-commerce entity

E-commerce entity means a company incorporated under the Companies Act, 1956 or the Companies Act, 2013 or a foreign company covered under section 2 (42) of the Companies Act, 2013 or an office, branch or agency in India as provided in section 2 (v) (iii) of FEMA 1999, owned or controlled by a person resident outside India and conducting the e-commerce business.

Inventory based model of e-commerce

Inventory based model of e-commerce means an e-commerce activity where inventory of goods and services is owned by e-commerce entity and is sold to the consumers directly.

Marketplace based model of e-commerce

Marketplace based model of e-commerce means providing of an information technology platform by an e-commerce entity on a digital & electronic network to act as a facilitator between buyer and seller.

Guidelines for Foreign Direct Investment on e-commerce sector

- i. 100% FDI under automatic route is permitted in marketplace model of e-commerce.
- ii. FDI is not permitted in inventory based model of e-commerce.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as Kwik Appliances Private Limited on September 11, 1985, under the Companies Act, 1956 with the Registrar of Companies, Mumbai bearing Registration No. 037465. Pursuant to a special resolution passed by the shareholders of our Company at the extra-ordinary general meeting held on December 21, 2006 the name of our Company was changed to “JSK Marketing Private Limited” and a fresh Certificate of Incorporation pursuant to change of name dated December 29, 2006 has been issued by Registrar of Companies, Mumbai . Further, the status of our Company was changed to a public limited company and the name of our Company was changed to JSK Marketing Limited by a special resolution passed on February 21, 2017. A fresh certificate of incorporation consequent to the change of name pursuant to the conversion into public limited company was granted to our Company on March 17, 2017, by the Registrar of Companies, Mumbai. The Corporate Identity Number of our Company is U29300MH1985PLC037465.

Our Company is a product marketing company involved in the trading and distribution of various products in multiple verticals such as digital consumer electronics, apparels, garments, fabrics and textiles / fashion & lifestyle, batteries & torches, white goods, office electronics, household items and agro & other commodities. Our Company also is engaged in a broad based distribution model, based on multiple products and multi-brand strategy. The focus is to establish ourselves and capture a considerable market share in each of the product categories. This helps to spread our market risks arising out of fluctuation in the market shares of various brands besides helping us to achieve economies of scale. Also, our Company is engaged in trading activities for various products, branded & local and industrial & consumer products. In the year 2008, our Company has developed and registered an in-house brand for various products like torches and shoes known as “Tigon”. The products under this brand are outsourced and manufactured by 3rd party manufacturers, who supply the finished goods to us for marketing and selling.

Our Company has eight (8) shareholders, as on the date of this Draft Red Herring Prospectus.

CHANGES IN REGISTERED OFFICE OF OUR COMPANY

Date of Change	Change of the Registered Office		Reason for Change
	From	To	
On Incorporation	-	384, Dongre Building, Lamington Road, Mumbai – 400 007	Incorporation
February 09, 2007	384, Dongre Building, Lamington Road, Mumbai – 400 007	84 Marthanda, Dr. Annie Besant Road, Worli Naka, Worli, Mumbai – 400 018.	Administrative / Operational Convenience
September 06, 2010	84 Marthanda, Dr. Annie Besant Road, Worli Naka, Worli, Mumbai – 400 018.	403-405, Sumer Kendra Co-Op Society Ltd, 4 th Floor, Behind Mahindra Tower, Pandurang Budhkar Marg, Worli, Mumbai – 400 018.	Administrative / Operational Convenience

MAJOR EVENTS IN THE HISTORY OF OUR COMPANY

Year	Particulars / Description
1985	The company was incorporated as Kwik Appliances Private Limited and started its business from 384 Dongre Building, Lamington Road, Mumbai – 400 007.
1986	Began operations of Manufacturing of Appliances at Company's 1 st plant in Lonavala, Maharashtra
1992	Sale of Manufacturing Business
2007	Commencement of Distributorship Business for Nippo Batteries in the States of Maharashtra, Gujarat, MP, Chattisgarh, Goa, Rajasthan & Jharkhand
2008	Established "Tigon" brand with 3 rd party manufacturing set-up. Our Company manufactured Torches with the brand name of “Tigon” on job work basis.
2011	Entered into agreement with Rediff.com India Limited for setting up an online store on Rediff Shopping Website and has offered to sale its products through the said online store.
	Entered into agreement with Reliance BIG Entertainment Pvt. Ltd. for selling products through the e-commerce platform of BIGADDA.
2012	Obtained distribution rights for Envirofit Stoves, including for Government orders

2013	Entered into agreement with Amazon Seller Services Pvt. Ltd. for sale of various brands on their e-commerce portal
2014	Entered into Brand Agreement with Skechers for sale of their Shoes brand through online portals
	Discontinued manufacturing of Tigon Torches Expanded the Tigon brand to other products. Set-up by 3 rd party manufacture (job work basis) of Shoes under the brand name of “Tigon”
2015	Entered into Agreement with Brand Concepts (Tommy Hilgfier, Paris Hilton and Rocky-S) for distribution and sale of multi brand products
	Entered into agreement with Cloudtail India Private Limited for sale of products on the e-commerce portal
2016	Entered into agreement with Delhivery Pvt. Ltd. for fulfilment of various delivery obligations of our products sold through the online and / or offline business.
2017	Entered into Brand Agreements with Cravatex (Fila) and Delsey.
2018	Entered into agreement with Unicommerce eSolutions Pvt. Ltd. for using their cloud hosted warehouse management system for managing our inventory on various electronic marketplaces.
	Entered into agreement with Tata Unistore Limited for displaying and selling our products through the online marketplace known as TATA CLiQ.
	Entered into agreement with Paytm E-commerce Ovt. Ltd. for offering and selling our products through the online marketplace known as Paytm and Paytm Mall – webpage and mobile application.
	Entered into agreement with DTDC 3PL and Fulfilment Ltd. for delivery and fulfilment of our products sold through various e-commerce websites.

Time and cost overrun

As on date of the Draft Red Herring Prospectus, there has been no time and cost overruns in the Company

Defaults or re-scheduling of borrowings

As on date of the Draft Red Herring Prospectus, the Company has not made nay defaults / re-scheduling of its borrowings.

MAIN OBJECTS OF OUR COMPANY

The main object of our Company is as follows:

- To manufacture, buy, sell, import, export, distribute, repair, maintain, exchange, alter or hire, buy or sell on hire-purchase system or installment system or to construct, develop, entre into arrangement for setting up the same either in whole or in any other way to deal in all kinds of household electricals and electronic appliances.*
- To buy, sell, import, export, market, job work, repair, maintain, prepare, design, service and to act as agent and deal in all types of domestic appliances, house hold electrical and electronic appliances and other similar products.*
- To act as buying, selling, reselling, importing, exporting, transporting, storing, developing, promoting, marketing or supplying, trading, dealing in any manner whatsoever in all type of merchandise, commodities, goods, wares, machinery, material products, articles and things required on retail as well as on wholesale basis in India or elsewhere either for ready delivery or future delivery for or dealt in or manufactured by or at the disposal of the Company and establish and maintain from time to time such branches of the Company and agencies either in different parts of India or elsewhere and to make such regulations for their management and to close and discontinue the same as the Directors of the Company for the time being may from time to time determine and appoint representatives in any part of the world for the conduct of the business of the Company.*
- To act as exhibitors of various goods, services and merchandise and to undertake the necessary activities to promote sales of goods, services and merchandise manufactured/dealt with/provided by the Company and Also act as broker, trader, agent, C & F agent, shipper, commission agent, distributor, representative, franchiser, consultant, collaborator, stockiest, liaison, job worker, export house of goods, merchandise and services of all grades, specifications, descriptions, applications, modalities, fashions, including by-products, spares or accessories thereof, on retail as well as on wholesale basis.*

AMENDMENTS TO OUR MEMORANDUM OF ASSOCIATION

The dates and other details of amendments to our Memorandum of Association in the last ten (10) years of our Company are set out below:

Date	Nature of Amendment
May 05, 2016	Increased in Authorised Share Capital from ₹ 5,00,00,000/- (divided into 4,75,000 equity shares of ₹ 100 each and 25000 4% Non Cumulative Redeemable Preference Shares of ₹ 100 each) to ₹ 10,00,00,000/- (divided into 9,75,000 equity shares of ₹ 100 each and 25000 4% Non Cumulative Redeemable Preference Shares of ₹ 100 each)
January 03, 2017	Reclassification of Authorised Capital from ₹ 10,00,00,000/- (divided into 9,75,000 equity shares of ₹ 100 each and 25000 4% Non Cumulative Redeemable Preference Shares of ₹ 100 each) to ₹ 10,00,00,000/- (divided into 10,00,000 equity shares of ₹ 100 Equity Shares)
January 03, 2017	Authorised share capital of ₹ 10,00,00,000 divided into 10,00,000 equity shares of ₹ 100/- each were sub-divided to Authorised Capital of ₹ 10,00,00,000 divided into 1,00,00,000 equity shares of ₹ 10/- each
January 03, 2017	<p>Change in the main object of the Company by inserting the following clauses;</p> <p>3. To act as buying, selling, reselling, importing, exporting, transporting, storing, developing, promoting, marketing or supplying, trading, dealing in any manner whatsoever in all type of merchandise, commodities, goods, wares, machinery, material products, articles and things required on retail as well as on wholesale basis in India or elsewhere either for ready delivery or future delivery for or dealt in or manufactured by or at the disposal of the Company and establish and maintain from time to time such branches of the Company and agencies either in different parts of India or elsewhere and to make such regulations for their management and to close and discontinue the same as the Directors of the Company for the time being may from time to time determine and appoint representatives in any part of the world for the conduct of the business of the Company.</p> <p>4. To act as exhibitors of various goods, services and merchandise and to undertake the necessary activities to promote sales of goods, services and merchandise manufactured/dealt with/provided by the Company and Also act as broker, trader, agent, C & F agent, shipper, commission agent, distributor, representative, franchiser, consultant, collaborator, stockiest, liaison, job worker, export house of goods, merchandise and services of all grades, specifications, descriptions, applications, modalities, fashions, including by-products, spares or accessories thereof, on retail as well as on wholesale basis.</p>
February 21, 2017	Conversion of Private Limited Company into Public Limited & Consequent change in the Name Clause to JSK Marketing Limited.
June 08, 2018	Increased in Authorised Share Capital from ₹ 10,00,00,000/- divided into 1,00,00,000 equity shares of ₹ 10 each to ₹ 15,00,00,000/- divided into 1,50,00,000 equity shares of ₹ 10 each
December 18, 2018	Increased in Authorised Share Capital from ₹ 15,00,00,000/- divided into 1,50,00,000 equity shares of ₹ 10 each to ₹ 22,00,00,000 divided into 2,20,00,000 equity shares of ₹ 10 each

HOLDING COMPANY

As on date of this Draft Red Herring Prospectus, our Company does not have a holding company.

SUBSIDIARIES

As on the date of this Draft Red Herring Prospectus, our Company has one direct Subsidiary, details of which are provided below.

PROMOTIAL TRADING INTERNATIONAL DMCC (PTID)

Corporate Information

Promotional Trading International DMCC (PTID) is registered as a Company with Limited Liability under the Registrar of Companies of the Dubai Multi Commodities Centre Authority on January 03, 2019. Its registered office is situated at Unit No: 564, DMCC Business Centre, Level No 1, Jewellery & Gemplex 3, Dubai, United Arab Emirates.

Nature of Business

PTID is primarily engaged in the business of trading of various products like Textile; Shoes; Grains, Cereals & Legumes; Basic Non Ferrous Metal Products; Mobile Phones & Accessories and Dairy Products.

Capital Structure

Particulars	100 Shares of AED 1,000 each
Authorised capital	1,00,000
Issued, subscribed and paid-up capital	1,00,000

Shareholding Pattern

The shareholding pattern of PTID is as follows:

Sr. No.	Name of the Shareholder	No. of Shares of AED 1,000 each	Percentage of shareholding (%)
1	JSK Marketing Limited	100	100.00

Other Confirmations

The Subsidiary has been newly incorporated on January 03, 2019 and no financials for the subsidiary have been prepared as on date of this Draft Red Herring Prospectus. Hence, there are no accumulated profits or losses of our Subsidiary not accounted for by our Company.

JOINT VENTURES

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

DETAILS REGARDING MATERIAL ACQUISITIONS OR DIVESTMENTS OF BUSINESS OR UNDERTAKINGS, MERGERS, AMALGAMATIONS OR REVALUATION OF ASSETS IN THE LAST TEN YEARS

Our Company has not made any material acquisitions or divestments of any business or undertaking, and has not undertaken any mergers, amalgamation or revaluation of assets in the last ten years.

Our Company had made an investment in JSK International General Trading LLC, Dubai in the F. Y. 2009-10. However, the proposed business of the said LLC was not materialised and hence in the F. Y. 2017-18, our Company has written off the above investment on account of permanent decline in accordance with Accounting Standard 13.

SHAREHOLDERS' AGREEMENT

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

OTHER AGREEMENTS

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

OUR MANAGEMENT

Board of Directors

Our Company has five (5) Directors consisting of one (1) Executive Director, two (2) Non-Executive Directors and two (2) Non-Executive Independent Directors. The following table and the brief biographies set forth the details of our Board of Directors as on the date of this Draft Red Herring Prospectus:

Name, Current Designation, Address, Occupation, Term and DIN	Nationality	Date of Birth and Age	Other Directorships
<p>Mr. Kunal Jiwaraajka <i>Chairman and Managing Director</i></p> <p>Address: 161/C, Grand Paradi, A. K. Marg, Near Shalimar Hotel, Kemps Corner, August T Kranti M Mumbai – 400 036.</p> <p>Date of appointment as Director: April 30, 2007</p> <p>Date of Re-appointment as Chairman and Managing Director: June 28, 2018</p> <p>Term: Appointed as Chairman and Managing Director for a period of 5 years i.e. till June 27, 2023</p> <p>Occupation: Business</p> <p>DIN: 01448603</p>	Indian	February 27, 1984 34 Years	<ul style="list-style-type: none"> • Glide International Private Limited • RADIOHMS Investments and Trading Private Limited • JSK Distributions Private Limited • JSL Marketing Private Limited • S & J Granulate Solutions Private Limited • JSK E-Tail Ventures Private Limited
<p>Mrs. Laxmidevi Jiwaraajka <i>Non-Executive Director</i></p> <p>Address: 161/C, Grand Paradi Apartments, A. K. Marg, Behind Shalimar Hotel, KEMPS corner, August T Kranti Mumbai 400 036</p> <p>Date of appointment as Director: January 12, 1989</p> <p>Date of appointment as Non-Executive Director: December 24, 2018</p> <p>Term: Liable to Retire by Rotation</p> <p>Occupation: Business</p> <p>DIN: 00050617</p>	Indian	August 15, 1953 65 Years	<ul style="list-style-type: none"> • Radiohms Investments and Trading Private Limited
<p>Mrs. Sakshi Jiwaraajka <i>Non-Executive Director</i></p> <p>Address: 161/C, Grand Paradi, A.K. Marg, Near Shalimar Hotel, KEMPS Corner, August Kranti Mumbai – 400 036.</p> <p>Date of appointment as Director: December 01, 2010</p> <p>Date of appointment as Non-Executive Director: February 06, 2018</p>	Indian	June 26, 1983 35 Years	<ul style="list-style-type: none"> • SKVA Rubber Solutions Private Limited • JSL Marketing Private Limited

Name, Current Designation, Address, Occupation, Term and DIN	Nationality	Date of Birth and Age	Other Directorships
Term: :Liable to Retire by Rotation Occupation: Business DIN: 03303483			
Mr. Parmindersingh Yadav <i>Non-Executive Independent Director</i> Address: 550/3582, Shardhapark, Gujarat Housing Board, Chandkheda, Ahmedabad, Gujarat 382 424 Date of Appointment as Additional Independent Director: November 13, 2017 Date of Appointment as Non-Executive Independent Director: September 29, 2018 Term: Appointed for a period of five years from November 13, 2017 to November 12, 2022, not liable to retire by rotation Occupation: Service DIN: 07978910	Indian	July 09, 1981 37 Years	• NIL
Mr. Utpal Desai <i>Non-Executive Independent Director</i> Address: A/2, Bharat Kunj , 8th Road, Opp. Dinkar Patel Udyan, Santacruz (East), Mumbai 400 055 Date of Appointment as Non-Executive Independent Director: January 11, 2019 Term: Appointed for a period of five years from January 11, 2019 to January 10, 2024, not liable to retire by rotation Occupation: Professional DIN: 06931523	Indian	November 22, 1953 65 Years	• Shreeji Translogistics Limited

BRIEF BIOGRAPHIES OF OUR DIRECTORS

Mr. Kunal Jiwarajka

Mr. Kunal Jiwarajka, aged 34 years, is the Chairman and Managing Director of our Company. He is also Promoter of our Company. He has obtained a degree as Bachelor of Science in Industrial Engineering & Operations Research, with High Honours, in the year 2006 at University of California, Berkeley, one of the most prestigious Universities in the USA. He has worked with Bain & Co., one of the world's top management consulting firms, at their San Francisco office for a year i.e. from 2006 to 2007, as an Associate Consultant, where he was part of several projects dealing in different segments such as IT, Retail, Private Equity etc. He joined the family business in year 2007 and has been on the Board of the Company since then. He also took active interest in some of our group / affiliate companies for a short period of time. He was gradually appointed as the Managing Director of our Company and is closely involved in all affairs, overall management & growth of our Company.

Mrs. Laxmidevi Jiwaraajka

Mrs. Laxmidevi Jiwaraajka, aged 65 years, is the Non-Executive Director of our Company. She has completed her Bachelor degree in Arts (Political Science) from Kolkata University in the year 1970. She has been on the Board of the Company since 1989. Though earlier she was an executive director in our company, handling various administrative affairs, she was re-designated as a non-executive director in the year 2018. She is active in social work and is the President of Archana Trust whereby, she has been instrumental in the creation of the Archana Trust School for underprivileged children at Shahapur. She is also on the board of one of our group i.e. Radiohms Investments and Trading Private Limited and is associated with several LLPs / Firms which forms part of our promoter group.

Mrs. Sakshi Jiwaraajka

Mr. Sakshi Jiwaraajka, aged 35 years, is the Non-Executive Director of our Company. She has done her BA (Hons), Fashion Management from London College of Fashion in the year 2004 and also completed Post-Graduate Diploma in Family Managed Business. She has been on the Board of the Company since 2010 as an executive director and has been instrumental in handling the E-Commerce Business of our Company. However, in the year 2018, she was re-designated as a non-executive director. She is currently also on the board and actively involved in the business of one of our Group Companies, JSL Marketing Private Limited.

Mr. Parmindersingh Yadav

Mr. Parmindersingh Yadav, aged 37 years, is the Non-Executive Independent Director of our Company. He has done his Master of Business Administration from Sikkim Manipal University in the year 2005. He has more than 12 years of experience in the area of human capital management, executive selection, training management system, performance management system and quality management system. He started his career as Management Trainee with Mangalam Information Technologies Ltd. in 2005 and is currently associated with Sarjen Systems Pvt. Ltd as a Strategist – Organisation Development.

Mr. Utpal Desai

Mr. Utpal Desai, aged 65 years is the Non-Executive Independent Director of our Company. He is a Chartered Accountant from the Institute of Chartered Accountants of India which he obtained in the year 1982. He has over three decades of audit, taxation and other financial services related experience having worked extensively for various CA firms till date. Presently, he is a proprietor of Utpal R. Desai & Co., Chartered Accountant, having office at Mumbai, Maharashtra.

CONFIRMATIONS

None of the 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 the Stock Exchange(s), during the term of their directorship in such company.

Further, none of the Directors is or was a director of any listed company which has been or was delisted from any stock exchange in India during the term of their directorship in such company.

None of the Directors are categorized as a wilful defaulter, as defined under Regulation 2(1)(III) of SEBI (ICDR) Regulations.

Relationship between our Directors

Except as mentioned below no other directors are related to each other;

- Mrs. Laxmidevi Jiwaraajka is the mother of Mr. Kunal Jiwaraajka
- Mrs. Sakshi Jiwaraajka is the wife of Mr. Kunal Jiwaraajka
- Mrs. Laxmidevi Jiwaraajka is the mother-in-law of Mrs. Sakshi Jiwaraajka

Arrangement or understanding with major Shareholders, customers, suppliers or others

There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors were selected as a Director.

Service contracts with Directors

Except for our Managing Director, no Director has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment. Further, the Service agreement dated July 11, 2018 entered into with our Managing Director does not provide any benefit upon termination of his employment from our Company or on his retirement. For further details of the remuneration during his term on our Board, please refer the section “*Remuneration of Executive Directors – Our Management*” on page no. 131 of this Draft Red Herring Prospectus.

Borrowing Powers of our Board of Directors

Our Company at its Extra-Ordinary General Meeting held on August 01, 2018 passed a resolution authorizing Board of Directors pursuant to the provisions of section 180 (1) (c) of the Companies Act, 2013 for borrowing from time to time any sum or sums of money from any person(s) or bodies corporate (including holding Company) or any other entity, whether incorporated or not, on such terms and conditions as the Board of Directors may deem fit for the purpose of the Company’s business. The monies so borrowed together with the monies already borrowed by our Company (apart from temporary loans obtained from the banks in the ordinary course of business) may exceed the aggregate of the paid up share capital of our Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of such borrowings together with the amount already borrowed and outstanding shall not, at any time, exceed ₹ 3,000 crores.

Remuneration of Executive Director

Mr. Kunal Jiwrajka, Chairman & Managing Director

The compensation package payable to him as resolved in the shareholders meeting held on August 01, 2018 & as stated in the agreement dated July 11, 2018 is stated hereunder:

Salary: upto a maximum of ₹ 7,00,000/- per month as may be fixed by the Board of Directors from time to time.

Commission: Commission on net profits of the Company computed in the manner laid down in section 198 of the Companies Act, 2013 as may be fixed by the Board subject to the ceiling limits laid down in section 196 & 197 of the Companies Act, 2013.

Perquisites: In addition to the aforesaid salary and commission the Managing Director shall be entitled to the following perquisites;

- (i) Free furnished residential accommodation or House Rent Allowances together with utilities, therefore such as gas, electricity, water, furnishings, repairs, servant’s salaries, society charges and property taxes as may be approved by the Board.
- (ii) Reimbursement of medical expenses incurred for self and family and medical/accident insurance.
- (iii) Leave travel concession for self and family once in year in accordance with the rules of the Company or as may be agreed to by the Board of Directors.
- (iv) Fees of clubs/annual membership fees for professional bodies.

Mr. Kunal Jiwrajka, shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein above:

- (i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent this either singly or put together are not taxable under the Income Tax Act, 1961
- (ii) Gratuity payable at the rate not exceeding half a month’s salary for each completed year of service.

(iii) Earned privilege leave at the rate of one month's leave for every eleven months of service. The Managing Director shall be entitled to encash leave at the end of his tenure as Managing Director.

(iv) Provision for Car and Telephone at the residence of the Managing Director including mobile phones for business shall not be treated as perquisites.

Compensation of Non-Executive Directors

The Board of Directors have accorded their approval for payment of sitting fee, in their meeting held on February 05 2019, whereby the Non-Executive Directors of our Company would be entitled to a sitting fee of ₹ 5,000 for attending every meeting of Board or its committee thereof.

Remuneration / Sitting Fees paid to Directors in Fiscal Year 2017-18

Sr. No.	Name of the Director	Designation	Remuneration Paid (₹ in Lakhs)	Sitting Fees Paid (₹ in Lakhs)	Total (₹ in Lakhs)
1	Mr. Kunal Jiwrajka	Managing Director	45.00	Nil	45.00
2	Mrs. Laxmidevi Jiwrajka	Non-Executive Director	Nil	Nil	Nil
3	Mrs. Sakshi Jiwrajka	Non-Executive Director	Nil	Nil	Nil
4	Mr. Parmindersingh Yadav	Non-Executive Independent Director	Nil	Nil	Nil
5	Mr. Ranjan Singh Sanjay ⁽¹⁾	Non-Executive Independent Director	Nil	Nil	Nil
6	Mr. Utpal Desai	Non-Executive Independent Director	Nil	Nil	Nil

⁽¹⁾ Mr. Ranjan Singh Sanjay resigned from Directorship on January 11, 2019

Shareholding of Directors

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

Name of Directors	No. of Equity Shares held	% of Pre-Issue Paid Up Capital
Mr. Kunal Jiwrajka	55,86,000	37.40%
Mrs. Laxmidevi Jiwrajka	77,52,000	51.91%
Mrs. Sakshi Jiwrajka	6,000	0.04%
Mr. Parmindersingh Rajendrasingh Yadav	-	-
Mr. Utpal Desai	-	-

Interest of our Directors

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

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

Except as stated in this chapter titled "Our Management", the section titled "Financial Information – Annexure XXV – Related Party Transactions" and section titled "Insurances" in the chapter "Our Business" on page nos. 128, 168 and 113 of this Draft Red Herring Prospectus respectively, our Directors do not have any other interest in our business.

Except as disclosed in "Draft Properties" within the section titled "Our Business" on page no. 99 of this Draft Red Herring Prospectus, our Directors have no interest in any property acquired by our Company within two years of the date of this Draft Red Herring Prospectus. Further, except as disclosed in "Properties" within the section titled "Our

Business” on page no. 114 of this Draft Red Herring Prospectus, our Company has not taken any property on lease from our Promoter within two years of the date of this Draft Red Herring Prospectus.

CHANGES IN THE BOARD OF DIRECTORS IN THE LAST THREE YEARS

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

Sr. No.	Name of Director	Date of Change	Reason for change
1.	Mr. Parmindersingh Yadav	November 13, 2017	Appointment as Additional Non-Executive Independent Director
2.	Mr. Ranjan Singh Sanjay	November 13, 2017	Appointment as Additional Non-Executive Independent Director
3.	Mrs. Sakshi Jiwarajka	February 06, 2018	Change in designation to Non-Executive Director
4.	Mr. Satyendra Mohanlal Sarupria	March 22, 2018	Appointment as Additional Non-Executive Independent Director
5.	Mr. Kunal Jiwarajka	June 27, 2018	Change in designation from Managing Director to Director
6.	Mr. Kunal Jiwarajka	June 28, 2018	Appointment as Managing Director
7.	Mr. Parmindersingh Yadav	September 29, 2018	Regularisation as Non-Executive Independent Director
8.	Mr. Ranjan Singh Sanjay	September 29, 2018	Regularisation as Non-Executive Independent Director
9.	Mr. Satyendra Mohanlal Sarupria	September 29, 2018	Regularisation as Non-Executive Independent Director
10.	Mr. Satyendra Mohanlal Sarupria	October 22, 2018	Resignation from the Directorship
11.	Mrs. Laxmidevi Jiwarajka	December 24, 2018	Change in designation to Non-Executive Director
12.	Ranjan Singh Sanjay	January 11, 2019	Resignation from the Directorship
13.	Mr. Utpal Desai	January 11, 2019	Appointment as Non-Executive Independent Director

CORPORATE GOVERNANCE

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

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

Currently, our Board has five (5) Directors. In compliance with the requirements of the SEBI Listing Regulations and the Companies Act, 2013, we have one (1) Executive Director, two (2) Non-Executive Directors and two (2) Non-Executive Independent Directors are on our Board. Our Chairman is an Executive Director and we have two (2) Woman Director on our Board.

We have constituted the following committees of our Board of Directors for compliance with Corporate Governance requirements:

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

4. Corporate Social Responsibility Committee

Committees of the Board

1. Audit Committee

The Audit Committee of our Board was reconstituted by our Directors by a board resolution dated February 05, 2019 pursuant to section 177 of the Companies Act, 2013. The Audit Committee comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Mr. Utpal Desai	Non-Executive Independent Director	Chairman
Mr. Parmindersingh Yadav	Non-Executive Independent Director	Member
Mr. Kunal Jiwarajka	Managing Director	Member

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

- a) Oversight of the Issuer's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- d) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Qualifications in the draft audit report
- e) Reviewing, with the management, the half yearly financial statements before submission to the board for approval;
- f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- h) Approval or any subsequent modification of transactions of the company with related parties;
- i) Scrutiny of inter-corporate loans and investments;
- j) Valuation of undertakings or assets of the company, wherever it is necessary;
- k) Evaluation of internal financial controls and risk management systems;
- l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

-
- m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - n) Discussion with internal auditors any significant findings and follow up there on;
 - o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
 - p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 - r) To review the functioning of the Whistle Blower mechanism;
 - s) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
 - t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

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

The Audit Committee enjoys following powers:

- a) To investigate any activity within its terms of reference
- b) To seek information from any employee
- c) To obtain outside legal or other professional advice
- d) To secure attendance of outsiders with relevant expertise if it considers necessary
- e) The audit committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the Issuer. The finance director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee.

The Audit Committee shall mandatorily review the following information:

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

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be

communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

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

Meeting of Audit Committee

The audit committee shall meet at least four times in a year and not more than four months shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there shall be a minimum of two independent members present. Since the formation of the committee, no Audit Committee meetings have taken place.

2. Stakeholder's Relationship Committee

The Shareholder and Investor Grievance Committee of our Board were reconstituted by our Directors pursuant to section 178 (5) of the Companies Act, 2013 by a board resolution dated February 05, 2019 The Shareholder and Investor Grievance Committee comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Mrs. Sakshi Jiwrajka	Non-Executive Non-Independent Director	Chairperson
Mrs. Laxmidevi Jiwrajka	Non-Executive Non-Independent Director	Member
Mr. Utpal Desai	Non-Executive Independent Director	Member

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

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

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

Quorum and Meetings

The quorum necessary for a meeting of the Stakeholders Relationship Committee shall be two members or one third of the members, whichever is greater. Since the formation of the committee, no Stakeholders Relationship Committee meetings have taken place.

3. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of our Board was reconstituted by our Directors pursuant to section 178 of the Companies Act, 2013 by a board resolution dated February 05, 2019.

The Nomination and Remuneration Committee currently comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Mrs. Sakshi Jiwrajka	Non-Executive Non-Independent Director	Chairperson
Mr. Parmindersingh Yadav	Non-Executive Independent Director	Member
Mr. Utpal Desai	Non-Executive Independent Director	Member

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

- a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b) Formulation of criteria for evaluation of Independent Directors and the Board;
- c) Devising a policy on Board diversity.
- d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

Quorum and Meetings

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

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

4. Corporate Social Responsibility Committee:

The Corporate Social Responsibility Committee of our Board was reconstituted by our Directors pursuant to section 135 of the Companies Act, 2013 by a board resolution dated February 05, 2019.

The Corporate Social Responsibility Committee currently comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Mr. Kunal Jiwrajka	Managing Director	Chairman
Mrs. Sakshi Jiwrajka	Non-Executive Non-Independent Director	Member
Mr. Utpal Desai	Non-Executive Independent Director	Member

The terms of reference of the Corporate Social Responsibility Committee of our Company shall include the following:

- a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by our Company in accordance with the provisions of the Companies Act, 2013;
- b) Review and recommend the amount of expenditure to be incurred on activities to be undertaken by our Company;
- c) Monitor the Corporate Social Responsibility Policy of our Company and its implementation from time to time; and
- d) Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

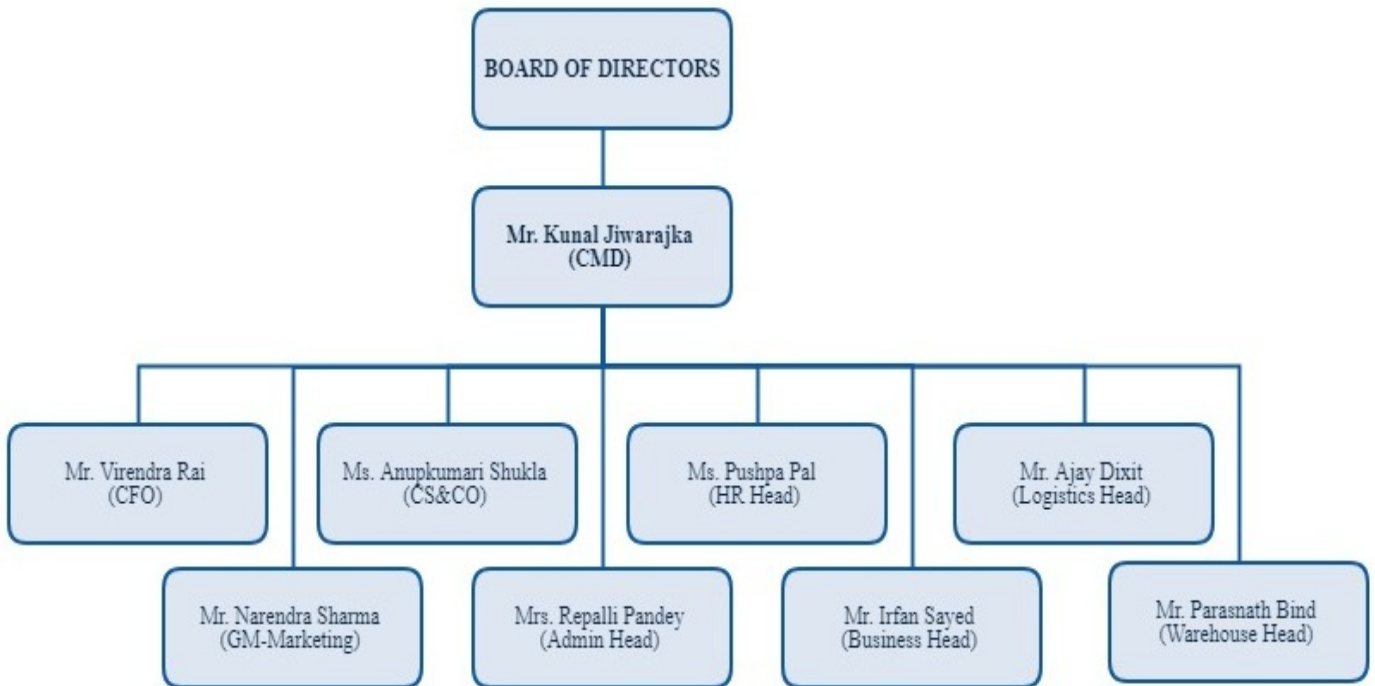
The Company Secretary of our Company acts as the Secretary to the Committee.

Policy on Disclosures & Internal procedure for prevention of Insider Trading

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

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

MANAGEMENT ORGANIZATION STRUCTURE



Terms & Abbreviations

- | | |
|---------|--|
| CMD | - Chairman & Managing Director |
| CFO | - Chief Financial Officer |
| CS & CO | - Company Secretary and Compliance Officer |
| GM | - General Manager |

KEY MANAGERIAL PERSONNEL

The details of our key managerial personnel are as below –

Mr. Virendra Rai, aged 42 years, is the Chief Financial Officer (CFO) of our Company. He has completed his Bachelor of Commerce & Master of Commerce (Advance Accountancy) from Mumbai University. He has also pursued Master of Business Administration in Finance from Sikkim Manipal University. He has over 15 years of experience in Accounts & Finance. He has previously worked with ADM Agro Industries India Pvt. Ltd. as Finance & Accounts Manager, ITC Limited as an Assistant Manager in the field of Finance, Foods And Inns Limited as Senior Accounts Executive and Prima Plastics Limited as Senior Accounts Executive. He is currently designated at the post of AGM in Accounts & Finance in our Company. His remuneration in Fiscal 2018 was nil as he has joined our Company on December 24, 2018.

Ms. Anupkumari Shukla aged 32 years, is the Company Secretary & Compliance Officer of our Company. She has completed her Bachelor's degree in Commerce & LLB from Mumbai University. She is also a qualified Associate member of Institute of Company Secretaries of India. She has over 5 years of experience. She has done her 12 months CS articleship from Ravindra Puthran & Co. (Practicing Firm). Further, she also worked as Senior Associate in Brus Chambers Advocate and Solicitors firm, also worked as Junior Advocate with Adv. Sandeep Bane & N. K. Mudnaney. Further, she has also worked as Operation Executive in Angel Broking. Her remuneration in Fiscal 2018 was nil as she joined our Company on December 10, 2018.

Mr. Narendra Sharma aged 35 years, is the Sales & Marketing Head of our Company. He has completed his Bachelor of Commerce from Commercial University Limited, Delhi. He has over 12 years of Experience in sales & team handling in telecom, FMCG and Service Industry. He has expertise in accounts management, client relations, customer service and customizing solution. He was associated with our Company since 2013 as Business Development Manager & then he is re-appointed as General Manager - Marketing in August 2018. His remuneration in Fiscal 2018 was nil as he re-joined our Company on August 08, 2018.

Ms. Pushpa Pal aged 31 years, is the HR Head of our Company. She has done her Master degree in Human Resource Development and Management from Mumbai University. She has 8 years of working experience in HR operations. She worked with Studio 365 as HR and Admin Executive, with Pavitra Nonwovens Pvt Ltd as senior executive – HR, with Amar Pacakging Incorporation as HR Manager. Her remuneration in Fiscal 2018 was nil as she joined our Company on September 04, 2018.

Mr. Irfan Sayed aged 52 years, is the General Manager (E-Commerce) of our Company. He has completed his Bachelor degree in Commerce from University of Mumbai. He has 19 years of experience in Sales & Operation, Business Development & Expansion, Product Development & Sourcing. He has been associated with the Company since January 2018. He was paid remuneration of ₹ 2.22 lakhs during fiscal 2018.

Mr. Ajay Dixit aged 61 years is the Logistics Head of our Company. He has completed his Bachelor in Arts from Kanpur University. He has over 35 years of working experience in. He has been associated with the Company since 2007. He has been promoted as Logistic Head in April 2017. He was paid remuneration of ₹ 3.19 lakhs during fiscal 2018.

Mr. Parasnath Bind aged 37 years is the Warehouse Head of our Company. He has over 12 years of working experience. He is associated with our Company in June 2018 as Warehouse Head. His remuneration in Fiscal 2018 was nil as he joined our Company on June 01, 2018.

Mrs. Repalli Pandey aged 37 years is the Admin Head of our Company. She has completed S.Y.B.Sc from Elphistone College, Mumbai. She has over 15 years of working experience. She is associated with our Company since 2010. She is promoted as Admin Head on July 01, 2018. She was paid remuneration of ₹ 4.16 lakhs during fiscal 2018.

Confirmations

None of the Key Managerial Personnel are related to each other or to the Directors of our Company.

There is no arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any Key Managerial Personnel was selected as Key Managerial Personnel.

Service Contracts

No service contracts have been entered into with any Key Management Personnel for provisions of benefits or payments of any amount upon termination of employment.

Contingent and deferred compensation payable to our Director and Key Managerial Personnel

There is no contingent or deferred compensation payable to our Directors and Key Managerial Personnel, which does not form a part of their remuneration.

Bonus or profit sharing plans of the Key Managerial Personnel

As on the date of filing of this Draft Red Herring Prospectus, our Company does not have a bonus or a profit sharing plan with the Key Management Personnel nor have we proposed any allotment of equity shares by way of employee stock options.

Status of Key Managerial Personnel

All the key managerial personnel mentioned above are permanent employees of our Company.

Shareholding of Key Managerial Personnel

As on the date of this Draft Red Herring Prospectus, none of our Key Management Personnel hold Equity Shares in our Company.

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

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

Name of Employee	Designation & Functional Area	Reason	Date of Appointment / Change in designation
Mr. Virendra Rai	Chief Financial Officer	Appointment	January 11, 2019
Ms. Anupkumari Shukla	Company Secretary & Compliance Officer	Appointment	January 11, 2019
Mr. Narendra Sharma	General Manager – Marketing	Appointment	August 08, 2018
Ms. Pushpa Pal	HR Head	Appointment	September 04, 2018
Mr. Irfan Sayed	General Manager (E-Commerce)	Appointment	January 21, 2018
Mr. Ajay Dixit	Logistic Head	Change in designation	April 01, 2017
Mr. Parasnath Bind	Warehouse Head	Appointment	June 01, 2018
Mrs. Repalli Pandey	Admin Head	Change in designation	July 01, 2018

Interest of Key Managerial Personnel

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

Payment or Benefit to Key Managerial Personnel


Except as stated in this section, no non-salary amount or benefit has been paid or given to any of our Company's officers including Key Managerial Personnel within the two preceding years or is intended to be paid or given.

OUR PROMOTER AND PROMOTER GROUP

OUR PROMOTER

The Promoter of our Company is Mr. Kunal Jiwrajka. As on the date of this Draft Red Herring Prospectus, our Promoter holds 55,86,000 Equity Shares in aggregate, representing 27.20% of the issued, subscribed and paid-up Equity Share capital of our Company.

The details of our Promoter are provided below:

Mr. Kunal Jiwrajka	
	<p>Mr. Kunal Jiwrajka, aged 34 years, is the Chairman and Managing Director of our Company. He is also Promoter of our Company. He has obtained a degree as Bachelor of Science in Industrial Engineering & Operations Research, with High Honours, in the year 2006 at University of California, Berkeley, one of the most prestigious Universities in the USA. He has worked with Bain & Co., one of the world's top management consulting firms, at their San Francisco office for a year. As an Associate Consultant, he was part of several projects dealing in different segments such as IT, Retail, Private Equity etc. He has joined family business in 2007 & started working in various group companies for a period of time. Currently being a Managing Director of the Company, he is closely involved in all affairs, overall management & growth of JSK Marketing Limited.</p>
Address:	161/C, Grand Paradi, A. K. Marg, Near Shalimar Hotel, Kemp's Corner, August T Kranti M Mumbai 400 036.
Date of Birth:	February 27, 1984
PAN:	ADYPJ7792F
Passport No.:	Z2678297
Driver's License No.:	MH01 20080119832
Aadhaar:	4111 1344 9861
Name of Bank & Branch:	Standard Chartered, 23-25 M.G Road
Bank A/c No.:	22511121144
Other Interests:	<ul style="list-style-type: none"> • JSK Distributions LLP • S & J Granulate Solutions Pvt. Ltd. • Glide International Private Ltd. • RADIOHMS Investments and Trading Pvt. Ltd. • JSK Distributions Pvt. Ltd. • JSL Marketing Pvt. Ltd. • JSK E-Tail Ventures Pvt. Ltd. • SKVA Rubber Solutions Pvt. Ltd • Kunal Jiwrajka HUF • M/s. Associated Electrical Agencies

For details of the build-up of our Promoters' shareholding in our Company, please see "Capital Structure –Notes to Capital Structure" on page no. 58 of this Draft Red Herring Prospectus.

Other Undertakings and Confirmations

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

Our Promoter and the members of our Promoter Group have confirmed that they have not been identified as wilful defaulters by the RBI or any other governmental authority.

No violations of securities laws have been committed by our Promoter or members of our Promoter Group or any Group Companies in the past or are currently pending against them. None of (i) our Promoter and members of our Promoter Group or persons in control of or on the boards of bodies corporate forming part of our Group Companies (ii) the Companies with which any of our Promoter are or were associated as a promoter, director or person in control, are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities

under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

Change in control of our Company

There has not been any change in the control of our Company in the five years immediately preceding the date of this Draft Red Herring Prospectus.

Experience of our Promoter in the business of our Company

For details in relation to experience of our Promoter in the business of our Company, please refer the chapter “*Our Management*” beginning on page no. 128 of this Draft Red Herring Prospectus.

Interests of Promoter

None of our Promoter / Directors have any interest in our Company except to the extent of compensation payable / paid, rents on properties owned by their relatives but used by our company and reimbursement of expenses (if applicable) and to the extent of any equity shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and / or trustee, and to the extent of benefits arising out of such shareholding. For further details please see the chapters titled “*Capital Structure*”, “*Financial Information*” and “*Our Management*” beginning on page nos. 58, 149 and 128 of this Draft Red Herring Prospectus.

Except as stated otherwise in this Draft Red Herring Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoter are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business.

Interest of Promoter in the Promotion of our Company

Our Company is currently promoted by the promoter in order to carry on its present business. Our Promoter is interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company.

Interest of Promoter in the Property of our Company

Our Promoter has confirmed that they do not have any interest in any property acquired by our Company within three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company as on the date of this Draft Red Herring Prospectus. However, our Company has obtained NoC from our promoter group entity, M/s. Associated Electrical Agency, for use of properties at Jaipur, Ahmedabad and Mumbai. For details, please the chapter “*Properties - Our Business*” on page no. 114 of this Draft Red Herring Prospectus.

Further, other than as mentioned in the chapter titled “*Our Business*” on page no. 99 of this Draft Red Herring Prospectus, our Promoter do not have any interest in any transactions in the acquisition of land, construction of any building or supply of any machinery.

Interest of Promoter in our Company other than as Promoter

Other than as Promoter, our Promoter is interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company. For details please see chapters titled “*Our Management*” and “*Capital Structure*” beginning on page nos. 128 and 58 respectively of this Draft Red Herring Prospectus.

Except as mentioned in this section and the chapters titled “*Capital Structure*”, “*Our Business*”, “*History and Certain Corporate matters*” and “*Financial Statements - Annexure XXV – Related Party Transactions*” on page nos. 58, 99, 124 and 168 of this Draft Red Herring Prospectus, respectively, our Promoter do not have any interest in our Company other than as promoter.

Payment of Amounts or Benefits to the Promoter or Promoter Group during the last two years

Except as stated in the Section titled “*Financial Information - Annexure XXV – Related Party Transactions*” on page no. 168 of this Draft Red Herring Prospectus, there has been no payment of benefits to our Promoter or Promoter Group during the two years preceding the date of the Draft Red Herring Prospectus.

Details of Material Guarantees

Except as stated in the “*Financial Indebtedness*” and “*Financial Information*” beginning on page nos. 185 and 149, respectively of this Draft Red Herring Prospectus, our Promoter have not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Draft Red Herring Prospectus.

Our Promoter Group

Apart from our Promoter, as per Regulation 2(1)(pp) of the SEBI (ICDR) Regulation, 2018, the following individuals and entities shall form part of our Promoter Group:

A. Natural Persons who are Part of the Promoter Group

As per Regulation 2(1)(pp)(ii) of the SEBI (ICDR) Regulations, 2018, the following individuals form part of our Promoter Group:

Sr. No.	Name of the Relative	Relationship with the Promoter
1.	Late Mr. Krishnakumar Jiwarajka	Father
2.	Mrs. Laxmidevi Jiwarajka	Mother
3.	Mrs. Sakshi Jiwarajka	Wife
4.	Ms. Kavya Jiwarajka Ms. Shivya Jiwarajka	Daughter

Our Excluded Promoter Group

In accordance with the definition of the term Promoter Group as defined in the SEBI ICDR Regulations, the Promoter Group of our Individual Promoter namely Mr. Kunal Jiwarajka consists of inter alia his Spouse’s Parents and Sister. However, information regarding the above mentioned relations and the companies in which they hold more than 20% shares is not available / disclosed in the Draft Red Herring Prospectus as such our Individual Promoter has commercially disassociated himself from such persons and these persons have no interest or liability in our company and its listing. Further, we confirm that the above mentioned relations did not hold any Equity Shares in the Company at any point nor had any interested in our Company at any point and hence are not material to the issuer company and its future operations.

B. Companies / Corporate Entities forming part of the Promoter Group

As per Regulation 2(1)(pp)(iv) of the SEBI (ICDR) Regulations, 2018, the following Companies / Trusts / Partnership firms / HUFs or Sole Proprietorships form part of our Promoter Group:

Sr. No.	Name of Promoter Group Entity/Company
1	Radiohms Investment & Trading Pvt. Ltd.
2	JSL Marketing Pvt. Ltd.
3	JSK E-Tail Ventures Pvt. Ltd.
4	SKVA Rubber Solutions Pvt. Ltd.
5	JSK Distribution LLP
6	JSK Propmart LLP
7	M/s. Associated Electrical Agencies
8	Kunal Jiwarajka HUF

Shareholding of the Promoter Group in our Company

For details of shareholding of members of our Promoter Group as on the date of this Draft Red Herring Prospectus, please see the chapter titled “*Capital Structure – Notes to Capital Structure*” beginning on page no. 59 of this Draft Red Herring Prospectus.

Companies with which the Promoter have disassociated in the last three years

Except as mentioned below, our Promoter, Mr. Kunal Jiwrajka, has not disassociated himself from any companies, firms or entities during the last three years preceding the date of this Draft Red Herring Prospectus:

Mr. Kunal Jiwrajka has sold his current shareholding in S & J Granulate Solutions Pvt. Ltd. vide SPA dated February 12, 2019. However, the documentation & transaction for the same is under process. Further, he continues to remain as a Director in the said Company.

Further, Mr. Kunal Jiwrajka has resigned from Directorship of the below mentioned companies in the last three years preceding the date of this Draft Red Herring Prospectus. He did not hold any shares of the said Company.

Name of the Company	Date of Cessation of Directorship
Damani Multitrade Private Limited	March 08, 2017
Primitus Industries Private Limited	December 14, 2017

Common Pursuits of Promoter

Our Promoter Company i.e. JSL Marketing Private Limited is currently engaged in businesses similar to ours and has been authorised by its Memorandum of Association to undertake activities which are similar to ours.

Our Company has not adopted any measures for mitigating such conflict situations. However, our Company believes that all such transactions have been conducted on the arms length basis. For further details on the related party transactions, to the extent of which our Company is involved, please refer the “Annexure XXV - Related Party Transactions” beginning on page no. 168 of this Draft Red Herring Prospectus.

Outstanding Litigation

There is no outstanding litigation against our Promoter except as disclosed in the section titled “Risk Factors” and chapter titled “Outstanding Litigation and Material Developments” beginning on page nos. 20 and 195 of this Draft Red Herring Prospectus.

OUR GROUP COMPANIES

The definition of ‘Group Companies’ as per the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, shall include such companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards, and also other companies as considered material by the board.

In terms of the SEBI Regulations and in terms of the policy of materiality defined by the Board pursuant to its resolution dated February 05, 2019, our Group Companies includes:

- Those companies disclosed as related parties in accordance with Accounting Standard (“AS 18”) issued by the Institute of Chartered Accountants of India, in the Restated Financial Statements of the Company for the last five financial years,

Provided, companies which have been disclosed as related parties in the Restated Financial Statements of our Company for the last three financial years, and which are no longer associated with our Company have not been disclosed as Group Companies.

- All companies forming part of the Related Party Transactions, with whom our Company has entered into one or more transactions during any of the last three fiscals such that the transaction value with our Company in any of the aforementioned fiscals / period exceeds 5% of the Profit after Tax of our Company in the respective fiscals / period.

Accordingly, in addition to our Promoter Group, as specified under the section “Our Promoter and Promoter Group” on page no. 141 of this Draft Red Herring Prospectus, the following companies have been identified as a Group Companies.

- Radiohms Investment & Trading Private Limited
- JSL Marketing Private Limited

I. RADIOHMS INVESTMENT & TRADING PRIVATE LIMITED (RITPL)

Incorporation	Radiohms Investment & Trading Private Limited was incorporated as Radiohms Investment & Trading Private Limited on June 21, 1984 under the Companies Act, 1956 with the Registrar of Companies, Mumbai, in the State of Maharashtra.
CIN	U67120MH1984PTC033227
Registered Office	403-405 4th floor, Sumer Kendra, Behind Mahindra Tower, P. Budhakar Marg, Worli Mumbai 400 018
Nature of Business	RITPL is authorised by its memorandum of association, to carry on the business of and investment company and to buy, underwrite, invest in, acquire hold and deal in shares, stocks, debentures bonds, etc. and also to carry on the activities related to the purpose of investment. Also to carry on the business as traders, agent, suppliers, commission agent and so on.
Registrar of Companies	Registrar of Companies, Mumbai

Board of Directors of RITPL

Sr. No.	Name
1.	Kunal Jiwrajka
2.	Laxmidevi Jiwrajka

Brief Audited Financials of RITPL

(₹ in lakhs)

Particulars	As at March 31,		
	2018	2017	2016
Equity Share Capital (F. V. ₹ 100/-)	1.00	1.00	1.00
Reserves (excluding revaluation reserve) and Surplus	1,184.55	1,173.64	1,173.27
Sales	0.00	0.00	0.00

Profit/ (Loss) after tax	10.91	0.38	0.62
Earnings per share ⁽¹⁾	1,090.55	37.54	61.81
Net asset value per share ⁽²⁾	1,18,555.00	1,17,464.44	1,17,426.91

⁽¹⁾ EPS is calculated on PAT minus Preference Dividend and Tax thereon, if any

⁽²⁾ NAV per share does not include Preference Share Capital and Share Application Money, if any

There are no significant notes by the auditors in relation to the above mentioned financial statements for the specified last three Fiscals.

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

II. JSL MARKETING PRIVATE LIMITED (JSLMPL)

Incorporation	JSL Marketing Private Limited was incorporated as JSL Marketing Private Limited on January 16, 2014 under the Companies Act, 2013 with the Registrar of Companies, Mumbai, in the State of Maharashtra.
CIN	U74900MH2014PTC252148
Registered Office	403-405 4th floor, Sumer Kendra, Behind Mahindra Tower, P. Budhakar Marg, Worli Mumbai 400 018
Nature of Business	JSLMPL is authorised by its memorandum of association, to manufacture, buy, sell, import, export, distribute, repair, maintain, exchange, alter, hire, buy or sell on hire- purchase system or installment system or to construct, develop, enter into arrangement for setting up the same either in whole or in part or in any other way to deal in all kinds of house hold electrical and electronics appliances, domestic appliances and other similar products.
Registrar of Companies	Registrar of Companies, Mumbai

Board of Directors of JSLMPL

Sr. No.	Name
1.	Kunal Jiwarajka
2.	Sakshi Jiwarajka

Brief Audited Financials of JSLMPL

(₹ in lakhs)

Particulars	As at March 31,		
	2018	2017	2016
Equity Share Capital (F. V. ₹ 10/-)	1.00	1.00	1.00
Reserves (excluding revaluation reserve) and Surplus	(0.30) ⁽¹⁾	(0.32)	(0.22)
Sales	0.00	0.00	0.00
Profit/ (Loss) after tax	(0.04)	(0.10)	0.12
Earnings per share ⁽²⁾	(0.40)	(1.00)	1.18
Net asset value per share ⁽³⁾	6.96	6.83	7.83

⁽¹⁾ Includes adjustment for excess provision of earlier years

⁽²⁾ EPS is calculated on PAT minus Preference Dividend and Tax thereon, if any

⁽³⁾ NAV per share does not include Preference Share Capital and Share Application Money, if any

There are no significant notes by the auditors in relation to the above mentioned financial statements for the specified last three Fiscals.

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

Litigation

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigation involving our Group Company which have a material impact on our Company.

Significant adverse factors related to the Group Companies

- ***Group Companies which are a sick industrial companies***

None of our Group Companies have become sick companies under the erstwhile Sick Industrial Companies (Special Provisions) Act, 1985.

- ***Group Companies under winding up/insolvency proceedings***

None of our Group Company is under winding up/insolvency proceedings.

- ***Loss making Group Companies***

Except, JSLMPL which has made a loss in the immediately preceding two years, none of our Group Company is loss making. For details please see the Brief Audited Financials of JSLMPL disclosed in this chapter.

Defunct Group Company

During the five years immediately preceding the date of this Draft Red Herring Prospectus, our Group Companies have not remained defunct and no application has been made to the relevant registrar of companies for striking off the name of our Group Companies.

Common Pursuits between the Company and its Group Companies

- ***Common Pursuits amongst Group Companies***

Our Group Company i.e. JSL Marketing Private Limited has been authorised by its Memorandum of Association to undertake activities which are similar to ours.

Our Company has not adopted any measures for mitigating such conflict situations. However, our Company believes that all such transactions have been conducted on the arms length basis. For further details on the related party transactions, to the extent of which our Company is involved, please refer “*Annexure XXV - Related Party Transactions*” beginning on page no. 168 of this Draft Red Herring Prospectus.

- ***Related Business Transactions***

For details pertaining to business transactions, of our Company with our Group Companies, please refer “*Annexure XXV - Related Party Transactions*” beginning on page no. 168 of this Draft Red Herring Prospectus.

- ***Business interests or other interests***

Except as disclosed in “*Financial Information*” beginning on page no. 168 of this Draft Red Herring Prospectus, our Group Companies do not have any business interest in our Company.

DIVIDEND POLICY

Under the Companies Act, 2013, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting. The shareholders of our Company have the right to decrease, not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

There are no dividends declared by our Company since incorporation.

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

SECTION VII – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR’S REPORT ON RESTATED FINANCIAL STATEMENTS OF JSK MARKETING LIMITED

To,

**The Board of Directors,
JSK Marketing Limited**

403-405, Sumer Kendra Co-Op Society Ltd
4th Floor, Behind Mahindra Tower,
Pandurang Budhkar Marg,
Worli, Mumbai – 400 018

Dear Sir/Ma’am,

1. We have examined the attached Restated Summary Statement along with the significant accounting policies and related notes of JSK Marketing Limited (the ‘Company’) as at and for the period ended September 30, 2018 and as at and for the financial years ended March 31, 2018, 2017 and 2016, annexed to this report and prepared by the Company for the purpose of inclusion in the Offer Document in connection with its proposed Initial Public Offer (“IPO”) on the EMERGE Platform of NSE.
2. The said Restated Financial Statements and other Financial Information have been prepared in accordance with the requirements of:
 - i. Section 26 of Part I of Chapter III to the Companies Act, 2013 (“the Act”) read with Companies (Prospectus and Allotment of Securities) Rules 2014;
 - ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 (“ICDR Regulations”) issued by the Securities and Exchange Board of India (“SEBI”) in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
 - iii. The terms of reference to our engagements with the Company requesting us to carry out the assignment, in connection with the Draft Red Herring Prospectus/ Red Herring Prospectus /Prospectus being issued by the Company for its proposed IPO of equity shares on SME Platform of NSE and
 - iv. The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (“Guidance Note”).
3. We have examined the accompanied ‘Restated Statement of Profit and Loss’ (**Annexure – II**) for the period ended September 30, 2018 and for the financial years ended on March 31, 2018, 2017 and 2016 and the ‘Restated Statement of Assets and Liabilities’ (**Annexure – I**) as on those dates, forming Part of the ‘Financial Information’ dealt with by this Report, detailed below. Both read together with the Significant Accounting Policies and Notes to Accounts (**Annexure – IV & V**) thereon, which are the responsibility of the Company’s management. The information has been extracted from the financial statements for the period ended September 30, 2018 and the financial years ended on March 31, 2018, 2017 and 2016. The Financial Statements for the period ended September 30, 2018 and for the financial years ended March 31, 2018, 2017 and 2016 have been audited by us and approved by the Board of Directors.
4. In terms of Schedule VI (Part A) (11) (II) (i) of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts of JSK Marketing Limited, we, M/s. SSRV & Associates, Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.
5. Based on our examination, we further report that:
 - a. The Restated Statement of Assets and Liabilities of the Company for the period ended September 30, 2018

and for the financial years ended on March 31, 2018, 2017 and 2016 examined by us, as set out in **Annexure I** to this examination report, are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the statement of significant accounting policies in **Annexure IV** and the Notes to Accounts in **Annexure V**.

- b. The Restated Statement of Profit and Loss of the Company for the period ended September 30, 2018 and for the financial years ended on March 31, 2018, 2017 and 2016 examined by us, as set out in **Annexure II** to this examination report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the statement of significant accounting policies in **Annexure IV** and the Statement of Adjustments to the audited financial statements in **Annexure V**.
- c. The Restated Statement of Cash Flows of the Company for the period ended September 30, 2018 and for the financial years ended on March 31, 2018, 2017 and 2016 examined by us, as set out in **Annexure III** to this examination report, are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the statement of significant accounting policies in **Annexure IV** and the Notes to Accounts in **Annexure V**.
- d. The Restated Financial Statements have been made after incorporating adjustments for:
 - i. The changes, if any, in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting period /years.
 - ii. Prior period and other material amount in the respective financial years to which they relate.

Which are stated in the Notes to Accounts as set out in **Annexure V**:

- e. Such Financial statements do not require any corrective adjustments on account of:
 - i. Other remarks/comments in the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub - section (4A) of section 227 of the act, on financial statements of the company for the period ended September 30, 2018 and for the financial years ended on March 31, 2018, 2017 and 2016.
 - ii. Extra-ordinary items that need to be disclosed separately in the accounts requiring adjustments.

6. At the request of the company, we have also examined the following financial information ("Other Financial Information") proposed to be included in the offer document prepared by the management and approved by the board of directors of the company and annexed to this report:

- i) Schedule of Share Capital (Annexure - VI)
- ii) Schedule of Reserves & Surplus (Annexure - VII)
- iii) Schedule of Long Term Borrowings (Annexure – VIII)
- iv) Schedule of Deferred Tax Liabilities (Annexure – IX)
- v) Schedule of Long Term Provisions (Annexure – X)
- vi) Schedule of Short Term Borrowings (Annexure – XI)
- vii) Schedule of Trade Payables (Annexure – XII)
- viii) Schedule of Other Current Liabilities (Annexure – XIII)
- ix) Schedule of Short Term Provisions (Annexure – XIV)
- x) Schedule of Fixed Assets (Annexure - XV)
- xi) Schedule of Non Current Investments (Annexure – XVI)
- xii) Schedule of Long Term Loans & Advances (Annexure – XVII)
- xiii) Schedule of Inventories (Annexure – XVIII)
- xiv) Schedule of Trade Receivables (Annexure – XIX)
- xv) Schedule of Cash and Cash Equivalents (Annexure – XX)
- xvi) Schedule of Short Term Loans & Advances (Annexure – XXI)
- xvii) Schedule of Other Current Assets (Annexure – XXII)
- xviii) Schedule of Revenue from Operations (Annexure – XXIII)
- xix) Schedule of Other Income (Annexure – XXIV)
- xx) Schedule of Related Party Transactions (Annexure –XXV)
- xxi) Schedule of Contingent Liability (Annexure – XXVI)

- xxii) Schedule of Dividend Declared (Annexure –XXVII)
- xxiii) Statement of Tax Shelter (Annexure – XXVIII)

7. In our opinion, the Restated Financial Statements and the other Financial Information set forth in Annexure I to XXVIII read with the significant accounting policies and notes to the restated financial statements have been prepared in accordance with section 26 of Companies Act, 2013 and the SEBI Regulations and the Guidance Note on the reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (ICAI).

Consequently the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As a result of these regrouping and adjustments, the amount reported in the financial information may not necessarily be the same as those appearing in the respective audited financial statements for the relevant years.

8. This report should not in any way construed as a re-issuance or re-drafting of any of the previous audit reports issued by the Statutory Auditors nor should this report be construed as a new opinion on any of the financial statement referred to therein.
9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
10. This report is intended solely for your information and for inclusion in the Offer document in connection with the Company's proposed IPO of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For SSRV & Associates,
Chartered Accountants
Firm Registration No. 135901W

Vishnukant Kabra
Partner
Membership No: 403437
Date: February 12, 2019
Place: Mumbai

Annexure I
STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(₹ in lakhs)

Particulars	As at September 30, 2018	As at March 31,		
		2018	2017	2016
EQUITY AND LIABILITIES				
Shareholders' Funds				
a. Share Capital	1,493.40	248.90	248.90	214.85
b. Reserves & Surplus	8,097.94	7,945.02	4,769.04	2,178.41
	9,591.34	8,193.92	5,017.94	2,393.26
Share Application Money Pending Allotment				500.65
Non Current Liabilities				
a. Long Term Borrowings	7,674.37	5,158.69	5,230.18	3,507.70
b. Deferred Tax Liabilities	-	-	62.84	54.68
c. Long Term Provisions	20.00	20.00	23.20	18.24
	7,694.37	5,178.69	5,316.22	3,580.62
Current Liabilities				
a. Short Term Borrowings	23,530.80	21,072.15	13,299.35	2,911.51
b. Trade Payables	8,577.96	7,763.26	7,300.32	3,896.32
c. Other Current Liabilities	1,752.64	615.41	820.60	571.25
b. Short Term Provisions	2,187.06	1,907.57	1,738.04	644.99
	36,048.46	31,358	23,158.31	8,024.07
T O T A L	53,334.17	44,731.01	33,492.46	14,498.60
ASSETS				
Non Current Assets				
a. Fixed Assets (Net Block)				
i. Tangible Assets	1,364.80	936.25	925.67	846.61
ii. Intangible Assets	634.29	634.29	215.31	215.31
Gross Block	1,999.09	1,570.54	1,140.98	1,061.92
Less: Depreciation	983.77	870.73	673.59	569.28
Net Block	1,015.32	699.81	467.38	492.64
iii. Capital Work in Progress	-	-	-	-
b. Non Current Investment	16.13	16.12	81.20	81.20
c. Deferred Tax Assets (Net)	52.90	37.78		
d. Long Term Loans & Advances	36.45	15.23	15.94	15.94
Current Assets				
a. Inventories	36,392.65	31,565.29	21,127.07	7,285.57
b. Trade Receivables	13,492.65	10,528.50	8,976.12	4,704.41
c. Cash and Cash Equivalents	1,745.76	1,525.52	2,381.50	904.06
d. Short Term Loans & Advances	380.95	267.79	268.14	832.73
e. Other Current Assets	201.38	74.98	175.10	182.06
T O T A L	53,334.19	44,731.01	33,492.46	14,498.61

Annexure II
STATEMENT OF PROFIT AND LOSS, AS RESTATED

(₹ in lakhs)

Particulars	For the period ended Sept 30, 2018	For the year ended March 31,		
		2018	2017	2016
INCOME				
Revenue from Operations	53,919.11	71,484.40	57,708.90	34,285.10
Other Income	50.70	264.69	112.90	102.50
Total Income (A)	53,969.81	71,749.09	57,821.80	34,387.60
EXPENDITURE				
Purchases	53,572.81	72,274.83	63,467.30	32,539.35
Changes in Inventory	(4,827.36)	(10,438.22)	(13,841.50)	(2,184.01)
Employee benefit expenses	570.43	946.22	1,074.93	409.83
Finance costs	1,904.58	2,682.76	1,921.91	785.05
Depreciation	113.04	197.14	104.32	111.17
Other Expenses	563.13	1,567.75	1,789.77	1,294.61
Total Expenses (B)	51,896.63	67,230.48	54,516.72	32,956.00
Profit before exceptional, extraordinary items and tax (A-B)	2,073.18	4,518.61	3,305.08	1,431.60
Exceptional items	-	-	-	-
Profit before extraordinary items and tax	2,073.18	4,518.61	3,305.08	1,431.60
Extraordinary items	-	-	-	-
Profit before tax (D)	2,073.18	4,518.61	3,305.08	1,431.60
<i>Tax expense :</i>				
(i) Current tax	690.88	1,443.25	1,148.04	493.82
(ii) MAT credit	-	-	-	-
(iii) Deferred tax	15.12	100.62	(8.16)	(13.70)
Total Tax Expense (E)	675.76	1,342.64	1,156.20	507.52
Profit for the year (D-E)	1,397.42	3,175.98	2,148.88	924.08

Annexure III
CASH FLOW STATEMENT, AS RESTATED

(₹ in lakhs)

Particulars	For the period ended Sept 30, 2018	For the year ended March 31,		
		2018	2017	2016
Cash flow from operating activities:				
Net Profit before tax as per Profit And Loss account	2,073.18	4,518.61	3,305.08	1,431.60
<i>Adjusted for:</i>				
provision for gratuity	-00.0	(1.45)	5.31	(1.39)
Depreciation & Amortisation	113.04	197.14	104.32	111.17
Interest & Financial Charges	1,904.58	2,682.76	1,921.91	785.05
Provision for Diminution in Value of Investment	-	53.16	-	-
Profit on Sale of Investment	-	(136.39)	-	-
Operating Profit Before Working Capital Changes	4,090.80	7,313.83	5,336.61	2,326.44
Adjusted for (Increase)/ Decrease in:				
Trade Receivables	(2,964.14)	(1,552.38)	(4,271.72)	(2,257.83)
Inventories	(4,827.36)	(10,438.22)	(13,841.50)	(2,183.96)
Short Term Loans and Advances	(113.16)	0.36	564.59	2,241.48
Other Current Assets	(126.41)	100.13	6.95	(21.99)
Trade Payables	814.69	462.95	3,403.99	458.28
Other Current Liabilities	1,137.23	(205.19)	249.35	(17.56)
Cash Generated From Operations Before Extra-Ordinary Items	(1,988.35)	(4,318.53)	(8,551.72)	544.86
Direct Tax Paid	411.39	1,275.48	55.34	60.65
Net Cash Flow from/(used in) Operating Activities: (A)	(2,399.74)	(5,594.00)	(8,607.06)	484.22
Cash Flow From Investing Activities:				
Net Additions of Fixed Assets	(428.55)	(429.56)	(79.06)	(29.72)
Increase / (Decrease) in long term loans & advances	(21.23)	0.71	-00.0	37.30
Sale Proceeds of Investment	-	148.31	-	-
Net Cash Flow from/(used in) Investing Activities: (B)	(449.78)	(280.54)	(79.06)	7.58
Cash Flow from Financing Activities:				
Issue of Share Capital	-	-	500.65	-
Share Application Money	-	-	(500.65)	500.65
Redemption of Preference Share Capital	-	-	(24.85)	-
Increase / (Decrease) in Long Term Borrowing	2,515.68	(71.48)	1,722.48	9.05
Increase / (Decrease) in Short Term Borrowing	2,458.65	7,772.80	10,387.84	91.86
Investment in Fixed Deposit (Margin money)	(255.00)	(565.77)	(662.00)	(32.08)
Interest & Financial Charges	(1,904.58)	(2,682.76)	(1,921.91)	(785.05)
Net Cash Flow from/(used in) Financing Activities (C)	2,814.75	4,452.79	9,501.55	(215.56)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(34.77)	(1,421.75)	815.43	276.24
Cash & Cash Equivalents As At Beginning of the Year	81.92	1,503.67	688.24	412.00
Cash & Cash Equivalents As At End of the Year	47.16	81.92	1,503.67	688.24

<i>Cash & Cash Equivalents comprises of :</i>				
Cash in Hand	3.33	3.84	2.98	4.51
Bank Balance	43.83	78.09	1,500.69	683.73
Closing Balance of Cash & Cash Equivalents	47.16	81.92	1,503.67	688.24

Reconciliation of Cash & Cash Equivalents –

(₹ in lakhs)

Particulars	For the period ended Sept 30, 2018	For the year ended March 31,		
		2018	2017	2016
Cash & Cash Equivalents as per Cash flow Statement	47.16	81.92	1,503.67	688.24
Earmarked for Margin Money Deposit	1,698.60	1,443.60	877.83	215.82
Cash & Cash Equivalents as per Statement of Assets & Liabilities	1,745.76	1,525.52	2,381.50	904.06

Annexure IV
SIGNIFICANT ACCOUNTING POLICIES**1. Corporate Information**

Company was incorporated as Kwik Appliances Private Limited on September 11, 1985, under the Companies Act, 1956 with the Registrar of Companies, Mumbai bearing Registration No. 037465. Pursuant to a special resolution passed by the shareholders of our Company at the extra-ordinary general meeting held on December 21, 2006 the name of our Company was changed to “JSK Marketing Private Limited” and a fresh Certificate of Incorporation pursuant to change of name dated December 29, 2006 has been issued by Registrar of Companies, Mumbai. Further, the status of Company was changed to a public limited company and the name of Company was changed to JSK Marketing Limited by a special resolution passed on February 21, 2017. A fresh certificate of incorporation consequent to the change of name pursuant to the conversion into public limited company was granted to our Company on March 17, 2017, by the Registrar of Companies, Mumbai.

2. Significant Accounting Policies**a. Basis of preparation**

- i) The financial statements are prepared under the historical cost convention following accrual basis of accounting and in accordance with the mandatory accounting standards issued by the Institute of Chartered Accountants of India.
- ii) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

b. Fixed Assets

Fixed Assets have been stated at cost of acquisition inclusive of expenses directly attributable to the acquisition of such assets. Elements of refundable duties and taxes on capital goods purchased have been reduced from the total cost of such assets.

c. Depreciation

Depreciation on fixed assets has been provided on pro-rata of time basis on Straight Line method at the rates prescribed in Schedule II to the Companies Act, 2013.

d. Investments

Investments are long term and carried at cost. Gains/Loss on sale or transfer of Investments will be recognized in Profit & Loss Account of relevant year.

e. Valuation of Inventories

Inventory has been valued at lower of cost or realizable value based upon average cost method except where the material is specifically identifiable. Cost considered for valuation of inventory is exclusive of VAT component and inclusive of other direct cost incurred for acquiring the respective material on reasonable estimate.

f. Material Events occurring after the balance sheet date

Material events occurring after the date of Balance Sheet have been taken cognizance of liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty have been treated as contingent liability and are disclosed by way of notes to accounts.

g. Revenue Recognition & Purchase

A sale is recognized at the time of dispatching the goods to the customer excluding C.S.T. & Value Added Tax collected. Purchases are recognized net of Value Added Tax and including CST, excise duty, custom duty, octroi, freight inward.

h. Foreign Exchange Transaction

Following AS-11 published by the Institute of Chartered Accountants of India, Company has translated outstanding forex transactions at closing exchange rate, except where the pending transaction is already realized. Such realized transactions have been recorded at actual realization amount. Fluctuation loss or profit between recorded and realized value have been carried to Profit & Loss Account adjusting the values of transaction concerned.

i. Employee Benefits

- i) All short term benefits which are either statutory or contractual or in ordinary course of service norms are recognized as an expenses in Profit & Loss Account.
- ii) Post employment and other long term employee benefits like Employee Provident Fund, Employee State Insurance and leave Encashment are recognized as expenses in Profit & Loss Account for the year in which employee has render services, however in case of gratuity the liability have not been ascertained or valued and the same will be provided by the Company at the time of payment or at subsequent years

j. Preliminary & Share Issue Expense

Preliminary and Share Issue expenses are written off in the year in which such expenditure is incurred.

k. Prior Period Adjustments

Expenses and income pertaining to earlier / previous years are accounted as Prior Period Items.

l. Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of qualifying fixed assets are capitalized as part of cost of assets, upto the date, the asset is put to use. Other borrowing costs are charged to the Profit & Loss Account in the year in which they are incurred.

m. Provision for Current & Deferred Tax

The provision for current taxation is based on book profit , Short or excess provision made in current year is duly accounted for in next reporting financial year. Deferred tax resulting from “timing differences” between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

n. Impairment of Assets

An assets is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which assets are identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been change in the estimate of recoverable amount.

Annexure V
NOTES TO ACCOUNTS

1. Managerial Remuneration

(₹ in lakhs)

Particulars	For the period ended Sept 30, 2018	For the year ended March 31,		
		2018	2017	2016
Salaries and Allowances	37.44	45.00	24.00	13.76
T O T A L	37.44	45.00	24.00	13.76

2. Remuneration to Auditors

(₹ in lakhs)

Particulars	For the period ended Sept 30, 2018	For the year ended March 31,		
		2018	2017	2016
Statutory Audit Fees	10.62	21.24	16.37	15.81

3. Deferred Tax

(₹ in lakhs)

Particulars	For the period ended Sept 30, 2018	For the year ended March 31,		
		2018	2017	2016
Deferred tax liabilities/(assets) arising on account of timing difference in:				
Opening Balance	37.78	(62.84)	(54.68)	(40.98)
Depreciation	15.12	35.91	(4.97)	(10.25)
Gratuity Expenses	-	(0.50)	1.84	(0.46)
disallowance us 43b	-	65.21	(5.03)	(2.99)
Closing Balance	52.90	37.78	(62.84)	(54.68)

- The company has not received any intimation from supplier regarding their status under micro, small and medium enterprises development Act, 2006 and hence disclosure, if any, in relation to amount unpaid as at the year end together with interest payable as required under the said Act have not furnished.
- The Management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required.
- The Company has during the period ended September 30, 2018 revised its accounting policy for Revenue Recognition wherein it has discontinued the inclusion of Branch transfers as part of revenue from Operations and similar effect on the purchases of the Company. The Company believes that this policy change will present more appropriate financial picture of the Company. Further, the above policy change does not affect the Net profit of the Company and hence is not material to that extent.
- There is no Auditor's Qualification in any of the audited Financial Statements as at and for the periods ended September 30, 2018.

ADJUSTMENTS MADE IN RESTATED FINANCIAL STATEMENTS / REGROUPING NOTES

I. Adjustments having impact on profit

Profit & Loss A/c

(₹ in lakhs)

Particulars	For the period ended Sept 30, 2018	For the year ended March 31,		
		2018	2017	2016
Profit as per Audited Financials	1,453.63	3,054.63	2,222.83	954.67
Add / (Less) : Difference in rectified gratuity	-	26.15	(5.31)	1.39
Add / (Less) : Difference in rectified	-	39.64	25.19	4.14

depreciation				
Add / (Less) : Difference in rectified tax	-	1.47	(82.16)	(31.13)
Add / (Less) : Difference in rectified DTA/DTL	-	54.09	(11.68)	(4.98)
Add / (Less) : Prior period item	(56.20)			
Profit as per Restated Financials	1,397.43	3,175.98	2,148.88	924.09

Reserves & Surplus affecting Equity (Profit & Loss Balance)

(₹ in lakhs)

Particulars	As at Sept 30, 2018	As at March 31,		
		2018	2017	2016
Balance as per Audited Financials	7,664.55	7,161.63	4,218.81	1,995.98
Add : Excess & Short tax provision in audited financials	(56.92)	111.82	-	-
Difference in Depreciation for earlier years	(147.96)	(187.60)	(212.79)	(216.93)
Difference in Depreciation for current years	147.96	39.64	25.19	4.14
Difference in Deferred tax rectified for earlier year	56.92	2.83	14.51	19.49
Difference in Deferred tax rectified for current year	(0.00)	54.09	(11.68)	(4.98)
Gratuity Provision For Earlier Years	-00	(26.15)	(20.84)	(22.23)
Gratuity Provision For current years	-00	26.15	(5.31)	1.39
tax related to earlier years	(112.54)	(114.01)	(31.85)	(0.72)
tax related to current years	112.54	1.47	(82.16)	(31.13)
Balance as per Restated Financials	7,664.55	7,069.87	3,893.89	1,745.01

II. Adjustments not having impact on profit

Appropriate adjustments have been made in the restated summary statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018.

Annexure VI
STATEMENT OF SHARE CAPITAL, AS RESTATED

(₹ in lakhs)

Particulars	As at Sept 30, 2018	As at March 31,		
		2,018	2,017	2,016
Equity Share Capital				
Authorised Share capital				
4,75,000 Equity Shares of ₹ 100/- each				475.00
25,000 4% Non Cumulative Redeemable Preference Share of ₹ 100/- each				25.00
1,00,00,000 Equity Shares of ₹ 10/- each		1,000.00	1,000.00	
1,50,00,000 Equity Shares of ₹ 10/- each	1,500.00			
T O T A L	1,500.00	1,000.00	1,000.00	500.00
Issued, Subscribed and Fully Paid Up Share Capital				
1,90,000 Equity Shares of ₹ 100/- each fully paid up				190.00
24,850 4% Non Cumulative Redeemable Preference Share of ₹ 100/- each fully paid				24.85
24,89,000 Equity Shares of ₹ 10/- each fully paid up		248.90	248.90	
1,49,34,000 Equity Shares of ₹ 10/- each fully paid up	1,493.40			
T O T A L	1,493.40	248.90	248.90	214.85

Reconciliation of number of shares outstanding:

Particulars	As at Sept 30, 2018	As at March 31,		
		2,018	2,017	2,016
Equity Shares				
Equity shares at the beginning of the year	24.89	24.89	1.90	1.90
Changes During the year				
Share split (Share of ₹ 100/- into share of ₹ 10/- each)			17.10	
Issue of Shares			5.89	
Bonus Shares	124.45			
Equity Shares at the end of the year	149.34	24.89	24.89	1.90
Preference Share				
Preference Share at the beginning of the year of ₹ 10/- each	-	-	0.25	0.25
changes during the year				
Redemption	-	-	(0.25)	-
Outstanding at the end of the period	-	-	-	0.25

Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is eligible to one vote per share. In the event of liquidation, the equity shares holders are eligible to receive remaining assets of the Company after distribution of all preferential amounts, in the proportion to their shareholding.

Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	As at Sept 30, 2018	
	Number of shares	% holding
Laxmidevi Jiwarajka	77,52,000	51.91%
Kunal Jiwarajka	55,86,000	37.40%
Radiohms Investment & Trading Pvt. Ltd.	10,26,000	6.87%

Annexure VII
STATEMENT OF RESERVES AND SURPLUS

(₹ in lakhs)

Particulars	As at Sept 30, 2018	As at March 31,		
		2018	2017	2016
Profit & Loss A/c				
Opening Balance	7,069.87	3,893.89	1,745.01	1,041.31
Add / (Less): Changes during the year				
Add: Profit After Tax	1,397.42	3,175.98	2,148.88	924.08
less : adjustment to Fixed Assets				(216.93)
less: Provision for Gratuity				(22.23)
Less: adjustmenet for DTA/DTL				19.49
less: Issues of Bonus Share	(802.75)			
less: Tax related to earlier years				(0.72)
Total (a)	7,664.54	7,069.87	3,893.89	1,745.01
Share Premium Account				
Opening Balance	441.75	441.75		
Add: Additions			441.75	
less: Bonus Shares Issued	441.75			
Total (b)		441.75	441.75	
General Reserve				
Opening Balance	433.40	433.40	433.40	383.70
Add / (Less): Changes during the year				
Closing balance (c)	433.40	433.40	433.40	433.40
T O T A L (a+b+c)	8,097.94	7,945.02	4,769.04	2,178.41

Annexure VIII
STATEMENT OF LONG TERM BORROWINGS, AS RESTATED

(₹ in lakhs)

Particulars	As at Sept 30, 2018	As at March 31,		
		2018	2017	2016
Unsecured Loans				
Term Loan				
From Banks (Unsecured)	12.86	30.43	46.55	55.96
From Banks (Secured)	49.51	64.00	113.72	172.52
From NBFC's & Others (Unsecured)	236.59	342.60	500.44	704.38
From NBFC's (Secured)	970.86	52.38	78.61	25.38
Total	1,269.83	489.40	739.32	958.25
Loan from Directors	6,404.55	4,669.29	4,490.85	2,549.45
Total	6,404.55	4,669.29	4,490.85	2,549.45
T O T A L	7,674.37	5,158.69	5,230.18	3,507.70

Note: For details of the terms of sanction, maturity and other details of outstanding loans please refer the chapter "Financial Indebtedness" on page no. 185 of this Draft Red Herring Prospectus.

Annexure IX
STATEMENT OF DEFERRED TAX LIABILITIES, AS RESTATED

(₹ in lakhs)

Particulars	As at Sept 30, 2018	As at March 31,		
		2018	2017	2016
Depreciation as per Books	113.04	197.14	104.32	111.17
Depreciation as per Income Tax	69.35	93.38	118.67	142.18
Diff of Dep - (DTL) / DTA (A)	43.69	103.76	(14.35)	(31.01)
Gratuity Expenses debited in P & L	0.21	(1.45)	5.31	(1.39)
Gratuity Expenses as per IT	0.21	-00	-00	-00
Diff of Expenses allowable in IT - (DTL) / DTA (B)	-	(1.45)	5.31	(1.39)
Provision or sums payable for tax, duty cess, payable & not paid (43B)				
Opening Balance	200	11.91	27.68	36.73
Addition	-	188.42	11.91	-00
Deletion	-	-	27.68	9.05
Closing balance (C)	200	200.34	11.91	27.68
Time Difference	43.69	102.31	(9.05)	(32.40)
Tax Rate (%)	34.61%	34.61%	34.61%	33.06%
(DTL) / DTA on (A) & (B)	15.12	35.41	(3.13)	(10.71)
(DTL) / DTA on (C)		65.21	(5.03)	(2.99)
Opening Balance of Deferred Tax Account	37.78	(62.84)	(54.68)	(40.98)
Closing Balance of Deferred Tax Account	52.90	37.78	(62.84)	(54.68)

Annexure X
STATEMENT OF LONG TERM PROVISIONS AS RESTATED

(₹ in lakhs)

Particulars	As at Sept 30, 2018	As at March 31,		
		2018	2017	2016
Provision for Gratuity	20.00	20.00	23.20	18.24
T O T A L	20.00	20.00	23.20	18.24

Annexure XI
STATEMENT OF SHORT TERM BORROWINGS, AS RESTATED

(₹ in lakhs)

Particulars	As at Sept 30, 2018	As at March 31,		
		2018	2017	2016
Secured Loan				
Cash Credit from Bank & NBFC	23,277.08	20,896.69	13,299.35	2,911.51
Unsecured Borrowings	253.73	175.46		
T O T A L	23,530.80	21,072.15	13,299.35	2,911.51

The above amounts in Annexure VIII and XI include:

(₹ in lakhs)

Secured Borrowings	24,792.19	21,212.15	13,669.83	3,354.42
Unsecured Borrowings	6,907.73	5,217.78	5,037.84	3,309.79
T O T A L	31,699.92	26,429.93	18,707.67	6,664.21

Note: For details of the terms of sanction, maturity and other details of outstanding loans please refer the chapter "Financial Indebtedness" on page no. 185 of this Draft Red Herring Prospectus.

Annexure XII
STATEMENT OF TRADE PAYABLE, AS RESTATED

(₹ in lakhs)

Particulars	As at Sept 30, 2018	As at March 31,		
		2018	2017	2016
Micro, Small, Medium Enterprises				
Others				
Trade Payable	8,577.96	7,763.26	7,300.32	3,896.32
T O T A L	8,577.96	7,763.26	7,300.32	3,896.32

Annexure XIII
STATEMENT OF OTHER CURRENT LIABILITIES, AS RESTATED

(₹ in lakhs)

Particulars	As at Sept 30, 2018	As at March 31,		
		2018	2017	2016
Current maturities of Long Term Borrowings	494.74	199.09	178.14	245.00
Liability for expense	-	-	248.95	137.81
Security Deposit	-	-	9.91	9.77
Other Current Liability	1,138.09	74.41	-	-
Statutory dues	119.80	341.91	383.60	178.67
T O T A L	1,752.64	615.41	820.60	571.25

Annexure XIV
STATEMENT OF SHORT TERM PROVISIONS, AS RESTATED

(₹ in lakhs)

Particulars	As at Sept 30, 2018	As at March 31,		
		2018	2017	2016
Income tax	2,182.36	1,902.87	1,735.09	642.38
Provision for Gratuity	4.70	4.70	2.95	2.60
T O T A L	2,187.06	1,907.57	1,738.04	644.99

Annexure XV
STATEMENT OF FIXED ASSETS, AS RESTATED

TANGIBLE ASSETS

(₹ in lakhs)

Particulars	As at Sept 30, 2018	As at March 31,		
		2018	2017	2016
PLANT AND MACHINERY				
Gross Block	49.57	49.57	49.57	49.57
Addition during the year	413.57	-	-	-
Reductions during the year	-	-	-	-
Adjusted to General Reserves	-	-	-	10.64
Depreciation During the year	14.02	1.86	1.86	1.86
Accumulated Depreciation	44.41	30.38	28.52	26.67
Closing Balance	418.73	19.19	21.04	22.90
AIR CONDITIONER & REFRIGRATION				
Gross Block	24.90	24.66	24.40	24.40
Addition during the year	6.84	0.24	0.26	
Reductions during the year				
Adjusted to General Reserves				3.35
Depreciation During the year	1.51	2.37	2.34	2.32

Accumulated Depreciation	18.89	17.38	15.02	12.67
Closing Balance	12.85	7.52	9.65	11.73
ELECTRICAL EQUIPMENTS				
Gross Block	16.25	16.25	16.02	15.91
Addition during the year			1.27	0.11
Reductions during the year			1.04	
Adjusted to General Reserves				2.88
Depreciation During the year	0.76	1.53	1.53	1.51
Accumulated Depreciation	12.75	11.99	10.46	8.93
Closing Balance	3.49	4.26	5.79	7.08
OFFICE EQUIPMENT				
Gross Block	17.91	13.55	13.69	13.56
Addition during the year		4.36		0.14
Reductions during the year			0.14	
Adjusted to General Reserves				2.58
Depreciation During the year	1.51	2.62	1.96	2.21
Accumulated Depreciation	14.01	12.50	9.88	7.92
Closing Balance	3.90	5.41	3.67	5.77
FIRE EQUIPMENTS				
Gross Block	0.44	0.44	0.30	0.30
Addition during the year			0.14	
Reductions during the year				
Adjusted to General Reserves				0.14
Depreciation During the year	0.02	0.04	0.04	0.02
Accumulated Depreciation	0.33	0.31	0.27	0.23
Closing Balance	0.11	0.13	0.17	0.08
FURNITURE AND FIXTURES				
Gross Block	289.80	289.80	289.80	286.78
Addition during the year	4.50	-	-	3.03
Reductions during the year	-	-	-	-
Adjusted to General Reserves	-	-	-	157.81
Depreciation During the year	1.40	2.15	2.16	14.57
Accumulated Depreciation	273.08	271.67	269.52	267.37
Closing Balance	21.23	18.13	20.28	22.44
MOTOR VEHICLES				
Gross Block	317.81	311.89	239.64	239.64
Addition during the year	-	5.92	75.00	-
Reductions during the year	-	-	2.75	-
Adjusted to General Reserves	-	-	-	0.66
Depreciation During the year	18.72	37.48	36.85	28.46
Accumulated Depreciation	133.66	114.94	77.47	40.62
Closing Balance	184.15	202.87	234.42	199.02
DELIVERY VAN				
Gross Block	196.58	202.88	202.88	177.03
Addition during the year	-	-	-	25.85
Reductions during the year	-	6.30	-	-
Adjusted to General Reserves	-	-	-	39.72
Depreciation During the year	12.17	24.34	24.92	29.47
Accumulated Depreciation	180.79	168.62	144.28	119.36
Closing Balance	15.80	27.96	58.60	83.52
SILVER UTENSILS				

Gross Block	2.77	2.77	2.77	2.77
Addition during the year	-	-	-	-
Reductions during the year	-	-	-	-
Adjusted to General Reserves				-
Depreciation During the year				-
Accumulated Depreciation				-
Closing Balance	2.77	2.77	2.77	2.77
COMPUTER				
Gross Block	20.22	13.85	7.53	6.93
Addition during the year	3.64	6.36	6.79	0.60
Reductions during the year	-	-	0.47	-
Adjusted to General Reserves	-	-	-	(0.86)
Depreciation During the year	2.68	4.24	2.71	0.81
Accumulated Depreciation	10.48	7.81	3.56	0.85
Closing Balance	13.37	12.41	10.29	6.68
Gross Block	936.25	925.67	846.61	816.89
Addition	428.55	16.88	83.46	29.72
Deletion	-	6.30	4.40	-
Total Depreciation For the Year	52.79	76.62	74.37	81.22
Total Accumulated Depreciation	688.40	635.61	558.99	484.62
Net Block	676.41	300.64	366.68	361.99

INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	As at Sept 30, 2018	As at March 31,		
		2018	2017	2016
TIGON BRANDS				
Gross Block	634.29	215.31	215.31	215.31
Addition during the year	-	418.98	-	-
Reductions during the year				
Depreciation During the year	60.26	120.51	29.95	29.95
Accumulated Depreciation	295.38	235.12	114.61	84.66
Closing Balance	338.91	399.17	100.70	130.65

Annexure XVI

STATEMENT OF OTHER NON-CURRENT ASSETS AS RESTATED

(₹ in lakhs)

Particulars	As at Sept 30, 2018	As at March 31,		
		2018	2017	2016
Investment in Equity Instruments				
Quoted				
6400 Equity Shares of Indo National Limited (Earlier known as Nippo Batteries Ltd) of ₹ 10/- each	6.35	6.35	6.35	6.35
25,804 Equity Shares of Panasonic Carbon India Co. Ltd. of ₹ 10/- each	-	-	11.92	11.92
4,633 Equity Shares of Punsumi India Limited of ₹ 10/- fully paid up	-	-	1.10	1.10
Sub-Total (a)	6.35	6.35	19.37	19.37
Unquoted				
1,323 Equity Shares of Sab Electronic Ltd of ₹ 10/- fully paid up	-	3.79	3.79	3.79
863 Equity Share of Jadoo Net.com of ₹ 10/- fully paid	0.01	0.01	0.01	0.01

3,490 Equity Shares of S&J Granulaes Pvt Ltd. of ₹ 10/- each	9.77	9.77	9.77	9.77
312 Equity Shares of LLC JSK International General Trading Co, Dubai of UAE Dhiram 1,000/- each fully paid up	-	48.27	48.27	48.27
4,633 Equity Shares of Punsumi India Limited of ₹ 10/- fully paid up	-	1.10	-	-
Sub-Total (b)	9.78	62.94	61.84	61.84
Less : Provision for Diminution in Value of Investments (c)	-	53.16	-	-
T O T A L (a+b-c)	16.13	16.12	81.20	81.20
Aggregate amount of quoted investments	6.35	6.35	19.37	19.37
Aggregate market value of listed and quoted investments	44.05	53.38	184.46	195.84
Aggregate amount of unquoted investments	9.78	62.94	61.84	61.84

Annexure XVII

STATEMENT OF LONG TERM LOANS AND ADVANCES AS RESTAED

(₹ in lakhs)

Particulars	As at Sept 30, 2018	As at March 31,		
		2018	2017	2016
Security Deposit				
Unsecured, considered good	36.45	15.23	15.94	15.94
T O T A L	36.45	15.23	15.94	15.94

Annexure XVIII

STATEMENT OF INVENTORIES, AS RESTATED

(₹ in lakhs)

Particulars	As at Sept 30, 2018	As at March 31,		
		2018	2017	2016
Inventories	36,392.65	31,565.29	21,127.07	7,285.57
T O T A L	36,392.65	31,565.29	21,127.07	7,285.57

Annexure XIX

STATEMENT OF TRADE RECEIVABLES, AS RESTATED

(₹ in lakhs)

Particulars	As at Sept 30, 2018	As at March 31,		
		2018	2017	2016
Outstanding Less than Six Months				
Unsecured, Considered Good				
Promoter / Promoter Group	-	-	-	-
Others	13,492.65	10,528.50	8,976.12	4,704.41
Outstanding More than Six Months				
Promoter / Promoter Group	-	-	-	-
Others	-	-	-	-
T O T A L	13,492.65	10,528.50	8,976.12	4,704.41

Annexure XX
STATEMENT OF CASH & CASH EQUIVALENTS, AS RESTATED

(₹ in lakhs)

Particulars	As at Sept 30, 2018	As at March 31,		
		2018	2017	2016
Cash on hand (a)	3.33	3.84	2.98	4.51
Balance with Bank				
Bank Balance In Current Accounts	43.83	78.09	1,500.69	683.73
Margin Money Deposit	1,698.60	1,443.60	877.83	215.82
Sub-Total (b)	1,742.43	1,521.68	2,378.51	899.55
T O T A L (a+b)	1,745.76	1,525.52	2,381.50	904.06

Annexure XXI
STATEMENT OF SHORT TERM LOANS AND ADVANCES AS RESTATED

(₹ in lakhs)

Particulars	As at Sept 30, 2018	As at March 31,		
		2018	2017	2016
Advances recoverable in cash or kind				
Unsecured, considered good	57.52	209.88	126.61	171.20
Sub-Total (a)	57.52	209.88	126.61	171.20
Other Loans & Advances (Unsecured, considered good)				
Other Loans & Advances	284.23	16.36	10.79	445.06
Loans & Advances to Employees	13.23	15.07	13.96	9.62
Balances with statutory / Government Authorities	25.97	26.48	116.78	206.84
Sub-Total (b)	323.42	57.90	141.54	661.53
T O T A L (a+b)	380.95	267.79	268.14	832.73

Annexure XXII
STATEMENT OF OTHER CURRENT ASSETS, AS RESTATED

(₹ in lakhs)

Particulars	As at Sept 30, 2018	As at March 31,		
		2018	2017	2016
Prepaid Expenses	174.19	74.98	175.10	182.06
Others	27.19			
T O T A L	201.38	74.98	175.10	182.06

Annexure XXIII
STATEMENT OF REVENUE FROM OPERATIONS, AS RESTATED

(₹ in lakhs)

Particulars	As at Sept 30, 2018	As at March 31,		
		2018	2017	2016
Sale of Products	53,919.11	71,484.40	57,708.90	34,285.10
T O T A L	53,919.11	71,484.40	57,708.90	34,285.10

Annexure XXIV
STATEMENT OF OTHER INCOME AS RESTATED

(₹ in lakhs)

Particulars	As at Sept 30, 2018	As at March 31,		
		2018	2017	2016
Other Income				
Interest Income	5.52	100.14	71.68	27.40

Dividend Income		1.60	1.66	2.06
Unpaid Bonus & Other Excess Provisions Reversed	-	0.09	0.78	3.59
Discount Received	0.06	-	-	-
Profit on Sale of Investment	-	136.39	-	-
Van Allowance	21.46	-	-	68.88
Misc Income	23.66	26.46	38.78	0.56
T O T A L	50.70	264.69	112.90	102.50
Net Profit Before Tax as Restated	2,073.18	4,518.61	3,305.08	1,431.60
Other Income as % of Net Profit Before Tax	2.45%	5.86%	3.42%	7.16%

Annexure XXV

STATEMENT OF RELATED PARTY TRANSACTIONS, AS RESTATED

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

(i) Key Managerial Personnel

For the year ended Sept 30, 2018	For the year ended March 31,		
	2018	2017	2016
Kunal Jiwrajka	Kunal Jiwrajka	Kunal Jiwrajka	Kunal Jiwrajka
Laxmidevi Jiwrajka	Laxmidevi Jiwrajka	Laxmidevi Jiwrajka	Laxmidevi Jiwrajka
Sakshi Kunal Jiwrajka	Sakshi Kunal Jiwrajka	Sakshi Kunal Jiwrajka	Sakshi Kunal Jiwrajka

(ii) Relatives of KMP

For the year ended Sept 30, 2018	For the year ended March 31,		
	2018	2017	2016
Kunal Jiwrajka (Huf)	Kunal Jiwrajka (HUF)	Kunal Jiwrajka (Huf)	Kunal Jiwrajka (Huf)
Savitridevi Jiwrajka	Savitridevi Jiwrajka	Savitridevi Jiwrajka	Savitridevi Jiwrajka
Kavya Kunal Jiwrajka	Kavya Kunal Jiwrajka	Kavya Kunal Jiwrajka	

(iii) Associates / Enterprises over which directors and / or their relatives has significant influence

For the year ended Sept 30, 2018	For The Year Ended March 31,		
	2018	2017	2016
M/s. Associated Electrical Agencies	M/s. Associated Electrical Agencies	M/s. Associated Electrical Agencies	M/s. Associated Electrical Agencies
Radiohms Investment & Trading Company Pvt. Ltd.	Radiohms Investment & Trading Company Pvt. Ltd.	Radiohms Investment & Trading Company Pvt. Ltd.	Radiohms Investment & Trading Company Pvt. Ltd.
S & J Granulates Pvt. Ltd.	S & J Granulates Pvt. Ltd.	S & J Granulates Pvt. Ltd.	S & J Granulates Pvt. Ltd.
Jsk Propmart LLP	Jsk Propmart LLP	Jsk Propmart LLP	Jsk Propmart LLP

(iv) Particulars of Transactions with Related Parties

Key Management Personnel & Relatives

(₹ in lakhs)

Particulars	For the year ended Sept 30, 2018	For the year ended March 31,		
		2018	2017	2016
Finance				
Loan Taken	5,024.42	3,847.94	3,891.46	3,120.00
Repayment of Loan taken	(3,291.99)	(3,669.50)	(1,949.75)	(3,132.36)
2) Expenses				

interest paid	-	-	-	120.39
Remuneration	37.44	45.00	24.00	13.76
3) Outstanding				
Unsecured Loans	6,404.54	4,669.29	4,490.85	2,549.45
Payables				

Annexure XXVI
STATEMENT OF CONTINGENT LIABILITIES, AS RESTATED

(₹ in lakhs)

Particulars	As at Sept 30, 2018	As at March 31,		
		2018	2017	2016
Contingent Liabilities				
Income Tax Demand	336.39	336.39	32.08	12.45
Income Tax Litigation	10.99	10.99	10.99	10.99
TDS Demand	316.58	316.58	311.08	87.18
Sales Tax / VAT Litigation	506.01	506.01	506.01	506.01
T O T A L	1,169.97	1,169.97	860.16	616.63

Annexure XXVII
SCHEDULE OF DIVIDEND DECLARED, AS RESTATED

(₹ in lakhs)

Particulars	For the year ended Sept 30, 2018	For the year ended March 31,		
		2018	2017	2016
On Equity Shares				
Fully Paid up Share Capital (₹ in lakhs)	1,493.40	248.90	248.90	214.85
Face Value (₹)	10	10	10	100
Paid up value per share (₹)	10	10	10	100
Rate of Dividend	-	-	-	-
Total Dividend	-	-	-	-
Corporate Dividend tax on above	-	-	-	-

Annexure XXVIII
STATEMENT OF TAX SHELTER, AS RESTATED

(₹ in lakhs)

Particulars	For the year ended Sept 30, 2018	For the year ended March 31,		
		2018	2017	2016
Tax Rates				
Income Tax Rate (%)	34.61%	34.61%	34.61%	33.06%
Minimum Alternate Tax Rate (%)	21.34%	21.34%	21.34%	21.34%
Restated Income before tax as per books (A)	2,073.18	4,518.61	3,305.08	1,431.60
Incomes considered separately				
Interest Income	5.52	100.14	71.68	27.40
Rent Income	-	-	-	-
Total Incomes considered separately (B)	5.52	100.14	71.68	27.40
Restated Profit other than income considered separately (C)=(A-B)	2,067.66	4,418.47	3,233.40	1,404.20
Tax Adjustment				
Permanent Differences				
Gratuity Provision	0.21	-	5.31	-
Interest on TDS	-	-	0.01	-
Income Tax Paid	-	-	0.51	-
Donation	-	-	-	-

Total Permanent Differences (D)	0.21	-	5.82	-
Timing Differences				
Depreciation as per Income Tax	69.35	93.38	118.67	142.18
Depreciation as per Books	113.04	197.14	104.32	111.17
Bonus	-	-	-	-
Total Timing Differences (E)	182.40	290.51	222.98	253.35
Income From Business or Profession (F)=(C+D+E)	2,250.27	4,708.99	3,462.21	1,657.55
Income From House Property				
Rent Income	-	-	-	-
Standard Deduction	-	-	-	-
Taxable income from house property (G)	-	-	-	-
Income From House Property				
Interest Income	5.52	100.14	71.68	27.40
Taxable income from Other Source (H)	5.52	100.14	71.68	27.40
Total Taxable income (F+G+H)	2,255.79	4,809.13	3,533.89	1,684.95
Net Taxable Income	2,255.79	4,809.13	3,533.89	1,684.95
Tax on Total Income	780.68	1,664.34	1,223.01	557.10
MAT on Book Profit	-	950.30	701.11	304.35
Tax paid as per normal or MAT	-	-	1,148.04	608.06
Total Tax as per Return	134.58	1,714.84	1,148.04	608.06
Difference	646.10	899.81	776.08	253.38

Notes:

1. The aforesaid Statement of tax Shelters has been prepared as per the 'Restated Profit and Loss Account.
2. Income tax return for the period ended March 31, 2019 is yet to be filed.

CHANGES IN ACCOUNTING POLICIES IN THE LAST THREE YEARS

There has been no change in the Accounting Policies in the last three (3) years except as mentioned under Annexure V of this Restated Report.

CHANGES IN ACCOUNTING PERIOD

There has been no change in the accounting period of the Company.

OTHER FINANCIAL INFORMATION

STATEMENT OF ACCOUNTING RATIOS

(₹ in lakhs)

Particulars	For the year ended Sept 30, 2018	For the year ended March 31,		
		2018	2017	2016
Restated PAT as per P & L Account	1,397.42	3,175.98	2,148.88	924.08
Actual Number of Equity Shares outstanding at the end of the year	1,49,34,000	24,89,000	24,89,000	19,00,000 ⁽²⁾
Equivalent Weighted Avg number of Equity Shares at the end of the year	1,49,34,000	1,49,34,000	1,41,11,386	1,23,89,474
Share Capital	1,493.40	248.90	248.90	190.00
Reserves & Surplus	8,097.94	7,945.02	4,769.04	2,178.41
Misc. Expenses not w/off	174.19	74.98	175.10	182.06
Net Worth	9,417.14	8,118.94	4,842.84	2,186.35
Earnings Per Share:				
Basic & Diluted	9.36 ⁽¹⁾	21.27	15.23	7.46
Return on Net Worth (%)	14.84%	39.12%	44.37%	42.27%
Net Asset Value Per Share (₹) - based on actual no. of equity shares at the end of the year	63.06	326.19	194.57	115.07 ⁽²⁾
Net Asset Value Per Share (₹) - based on no. of equity shares after Bonus impact	63.06	54.37	32.43	15.24 ⁽²⁾
Nominal Value per Equity share (₹)	10.00	10.00	10.00	10.00 ⁽²⁾

⁽¹⁾ Not Annualised

⁽²⁾ The Face Value of the Equity Shares for the year March 31, 2016 was ₹ 100/-. However, for comparison purposes, the same has been considered as face value of ₹ 10/- per Equity Share and the outstanding number of Shares have been accordingly adjusted.

Notes to Accounting Ratios:

1) The Ratios have been computed as follows:

a) Basic EPS (₹) =
$$\frac{\text{Net profit/ (loss) as restated, attributable to Equity Shareholders}}{\text{Weighted average number of Equity Shares outstanding during the year/period}}$$

b) Return on Net worth (%) =
$$\frac{\text{Net profit/loss after tax,as restated}}{\text{Net worth excluding preference share capital and revaluation reserve}}$$

c) NAV per Equity Share (₹) =
$$\frac{\text{Net worth excluding preference share capital and revaluation reserve}}{\text{Outstanding number of Equity shares outstanding during the year/ period}}$$

- 2) Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the period adjusted by the number of Equity Shares issued during period 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 period.
- 3) The Calculation of Earnings Per Share (EPS) as disclosed in the Profit and Loss Account has been made in accordance with Accounting Standard (AS - 20) on Earnings Per Share issued by the Institute of Chartered Accountants of India.
- 4) As there is no dilutive capital in the company, Basic and Diluted EPS are similar.
- 5) The above Ratios have been computed on the basis of the Restated Financial Information for the respective period. The above statements should be read with the Notes to Restated Financial Statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

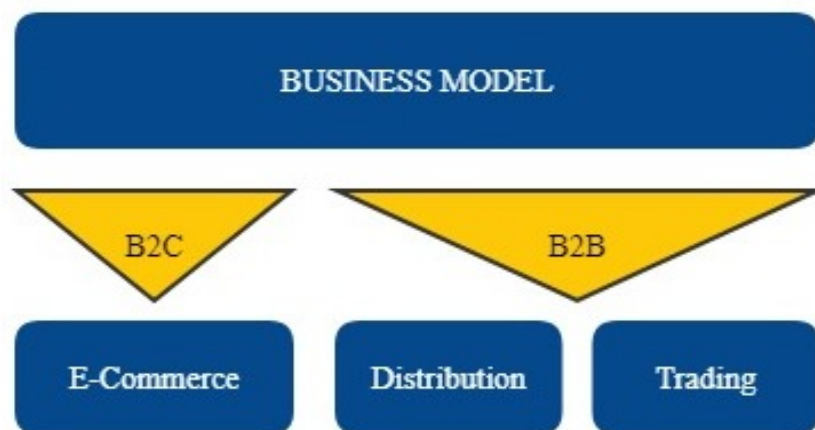
You should read the following discussion and analysis of financial condition and results of operations together with our financial statements included in this Draft Red Herring Prospectus. The following discussion relates to our Company and is based on our restated financial statements. Our financial statements have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act.

Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.

BUSINESS OVERVIEW

Our Company is a product marketing company involved in the trading and distribution of various products in multiple verticals such as digital consumer electronics, apparels, garments, fabrics and textiles / fashion & lifestyle, batteries & torches, white goods, office electronics, household items and agro & other commodities. Our Company is engaged in a broad based distribution model, based on multiple products and multi-brand strategy. The focus is to establish ourselves and capture a considerable market share in each of the product categories. Also, our Company is engaged in trading activities for various products, branded & local and industrial & consumer products.

The business model of our Company includes direct sales to end users i.e. Business to Client (B2C) and sales to other traders, stockists and retailers i.e. Business to Business (B2B).



The distribution and trading services provided by our Company include both volume business and value business products. Products which fall in the volume business verticals are typically fast moving high volume products like Batteries, agro & other commodities, mobile & computer accessories, etc. We mainly play a connecting role and support the vendor's demand generation activities through trade marketing. The key deliverables here are logistics and inventory management, credit and delivery at cost effective prices to the customers. Volume business require stocking across branches and is working capital intensive. Products which fall in value business segment, are typically high end, high value products like white goods, cameras, mobiles, household items, etc. These sales generally include our push of the particular product / brand in the market aided by vendor advertising and the brand perception itself.

COMPETITION

The distribution and trading industry in India, while fragmented and largely unorganised, is highly competitive. We expect to face increased competition from large domestic distribution companies. We compete for the sale of our products. We believe that we are able to distinguish ourselves from our competitors on the basis of our strong Pan India presence, our established network and reputation, the locational convenience to our suppliers and customers and the timeliness & availability of bulk product deliveries.

We also compete to acquire distribution rights for major brands and products across various product verticals. The availability of distribution channels for each product category differs from each other and we compete on our ability to cover higher market share in a given location for a particular product category. However, we believe that our wide network Pan India and our established marketing set-up provides us with a competitive advantage when competing for such distribution rights and for trading other products, as we believe that the vendors and manufacturers recognise the market reach and premium distribution that may be obtained by partnering with us.

We compete with various organised and unorganised players across the country and also with various regional traders and distributors. We compete against our competitors by establishing ourselves as a knowledge-based trading company with cordial relations with various suppliers in all our regions of trade, which enables us to provide our customers with bulk quantities at reasonable rates to meet their requirements.

Significant Developments after September 30, 2018 that may affect our Future Results of Operations

The Directors confirm that other than the following developments, there have been no events or circumstances since the date of the last financial statements as disclosed in the Draft Red Herring Prospectus which materially or adversely affect or is likely to affect the profitability of our Company, or the value of our assets, or our ability to pay liabilities within next twelve months.

- a. Our Company has recently i.e. on January 03, 2019, incorporated a company in Dubai, Promotial Trading International DMCC, as its wholly owned subsidiary.
- b. The Company has shifted its IDFC loan to Saraswat Co-operative Bank, making the later part of the Bank Consortium vide Supplemental Working Capital Consortium Agreement dated December 26, 2018. Further, vide the above supplemental agreement Axis Bank, IndusInd Bank and South India Bank were also added as part of the Consortium.

FACTORS AFFECTING OUR RESULT OF OPERATION

Our business is subject to various risks and uncertainties, including those discussed in the section titled “*Risk Factors*” on page no. 20 of this Draft Red Herring Prospectus.

Among various other factors that affect our financial results and operations for a given financial year, some key factors are as follows:

Revenue Generation

We earn our revenue from trading and distribution of various products, offering a wide variety of products of different brands. Our sales are through various distribution channels and also through the various online shopping portals. We provide an extensive range of products ranging from digital consumer electronics, apparels, garments, fabrics and textiles / fashion & lifestyle, batteries & torches, white goods, office electronics, household items and agro & other commodities.

Our Company has partnered with a various renowned brands of varied products throughout the Country and we play the role of supply chain consolidator between several wholesalers / manufacturers and various traders, stockists & retailers. We have marketing set-up Pan India and each location has a dedicated marketing team. The marketing team is handled by well trained personnel at our registered office. We aim at increasing in operational output through continuous process improvement, better brand associations and better online pricings, customer service, consistent quality and technology development.

Our Financial Indebtedness and Financial Expenses

As of September 30, 2018 and March 31, 2018, we have ₹ 31,699.91 lakhs and ₹ 26,429.94 lakhs respectively, of outstanding debt on our balance sheet. Our level of indebtedness has important consequences to us, such as:

- increasing our vulnerability to general adverse economic, industry and competitive conditions;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
- affecting our credit rating;
- limiting our ability to borrow more money both now and in the future; and

- increasing our interest expenditure and adversely affecting our profitability, since almost all of our debt bears interest at floating rates.

If any of these risks were to materialise, our business and results of operations may be adversely affected. Our business requires funding for capital expenditure and working capital requirements. The actual amount and timing of future capital expenditure may depend on several factors, among others, new opportunities, availability of land, regulatory approvals, regulatory changes, economic conditions, technological changes and market developments in our industry. Our sources of additional funding, if required, to meet our capital expenditure may include the incurrence of debt or the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. In case there is insufficient cash flow to meet our working capital requirement or we are unable to arrange the same from other sources or there is delay in disbursement of arranged funds, or there is any increase in interest rate on our borrowings, it may adversely affect our operations and profitability. These factors may result in an increased amount of short-term borrowings. Continuous increase of our working capital requirements may have an adverse effect on our results of operations and financial condition.

Further our ability to arrange for additional funds on acceptable terms is subject to a variety of uncertainties, including future results of operations, financial condition and cash flows; economic, political conditions and market scenario for our products; costs of financing, liquidity and overall condition of financial and capital markets in India; issuance of necessary business/government licenses, approvals and other risks associated with our businesses; and limitations on our ability to raise capital in capital markets and conditions of the Indian and other capital markets in which we may seek to raise funds. Any such inability to raise sufficient funds could have a material adverse effect on our business and results of operations.

Our ability to successfully implement its strategy and its growth and expansion plans

Our revenue and our business operations have grown in recent years. Although we plan to continue to expand our scale of operations, we may not be able to sustain these rates of growth in future periods due to a number of factors, including, among others, our execution capability, our ability to retain, maintain & enter into new distribution agreement, our ability to maintain customer satisfaction, our ability to mobilise sufficient working capital, macroeconomic factors beyond our control such as decline in global economic conditions, availability of cheaper imported / domestic products / brands, competition within each product category from players in the organized and unorganized segments, the greater difficulty of growing at sustained rates from a larger revenue base, our inability to control our expenses and the availability of resources for our growth. There can be no assurance that we will not suffer from capital constraints, operational difficulties or difficulties in expanding existing business operations.

Our development and expansion strategies will require substantial managerial efforts and skills and the incurrence of additional expenditures and may subject us to new or increased risks. We may not be able to efficiently or effectively implement our growth strategies or manage the growth of our operations, and any failure to do so may limit future growth and have an adverse effect on our business. For e.g. our strategy to concentrate on value business products and reduce our volume business product sale is dependent on our ability to shift our focus from volume business products to value business. Products which fall in the volume business verticals are typically fast moving high volume products like Batteries, agro & other commodities, mobile & computer accessories, etc. and are generally low margin generating sales. Products which fall in value business segment, are typically high end, high value products like white goods, cameras, mobiles, household items, etc. and are typically high margin sales. Our strategy to augment our profit margins may not materialise in the manner we intend to, resulting in lower margins. Continued lower margins may affect our future growth and financial performance.

Further, if the estimates or assumptions used in developing our strategic plan vary significantly from actual conditions, our sales, margins and profitability could be impacted. For instance, sales of certain category of products / brands may not grow as quickly as we currently expect, and we may be incorrect in our assumptions and expectations of consumer preferences during our purchasing or entering into agreements with new products / brands. Also, the fund requirement and deployment for our strategies are based purely on management estimates and assumptions considering the current market scenario and are subject to revision in the light of changes in external circumstances or costs. If we are unsuccessful in executing our strategic plan, or if the underlying estimates or assumptions used to develop our strategic plan are materially inaccurate, our business and financial condition would have an adverse impact.

Market Conditions and Terms of our Distribution Agreements

We are a multi product distribution and marketing Company and we enter into various distribution agreements with brands across many product verticals. We have distribution agreements with various brands, domestic and international. Accordingly, we are bound by the terms of the agreement in relation to supply of their products, selling targets, pricing and inventory management.

National and multinational brands are very particular about their pricing and generally specify the pricing terms in their agreements. These pricings are based on the vendors' / manufacturers' brand perception and may or may not be realisable in the market. This may lead to lower sales of that particular brand / product eventually resulting in higher inventory and dead stock. Also, the terms of the agreement specify other parameters of trade like quantity, delivery terms, payment terms, all of which could affect our business process and in turn render us unable to dictate terms with our customers.

Furthermore, many of our vendors may not be proactive in renewing their agreements. Majority of our agreements are for a period ranging from 1 year to 3 years. Though we continue to undertake business transaction with them on oral basis, even after expiry of the original agreement, we cannot guarantee that we will be able to enforce the terms of business in case of old agreement. There can be no assurance that there will not be a significant disruption in the supply of the particular product / brand from such sources or, in the event of a disruption, that we would be able to locate alternative brand / suppliers of such brand on terms acceptable to us, or at all. Identifying and negotiating with a new brand / product involves a process that requires us to become satisfied with their market demand, quality control, responsiveness and service and financial stability. Non-availability or disruption in supply of any product / brand may result in reducing our revenues by a considerable amount.

RESULTS OF OUR STANDALONE OPERATIONS
(₹ in lakhs)

Particulars	For the period ended September 30, 2018	% of Total Income	For the year ended March 31,							
			2018	% of Total Income	2017	% of Total Income	2016	% of Total Income	2015	% of Total Income
INCOME										
Revenue from Operations	53,919.11	99.91%	71,484.40	99.63%	57,708.90	99.80%	34,353.98	99.90%	27,070.98	99.88%
Other Income	50.70	0.09%	264.69	0.37%	112.90	0.20%	33.62	0.10%	32.25	0.12%
Total Income (A)	53,969.81	100.00%	71,749.09	100.00%	57,821.80	100.00%	34,387.60	100.00%	27,103.23	100.00%
EXPENDITURE										
Purchases	53,572.81	99.26%	72,274.83	100.73%	63,467.30	109.76%	32,539.35	94.63%	24,503.40	90.41%
Changes in Inventory	(4,827.36)	-8.94%	(10,438.22)	-14.55%	(13,841.50)	-23.94%	(2,184.01)	-6.35%	(212.94)	-0.79%
Employee benefit expenses	570.43	1.06%	946.22	1.32%	1,074.93	1.86%	409.83	1.19%	444.81	1.64%
Finance costs	1,904.58	3.53%	2,682.76	3.74%	1,921.91	3.32%	785.05	2.28%	866.43	3.20%
Depreciation	113.04	0.21%	197.14	0.27%	104.32	0.18%	111.17	0.32%	104.45	0.39%
Other Expenses	563.13	1.04%	1,567.75	2.19%	1,789.77	3.10%	1,294.61	3.76%	948.81	3.50%
Total Expenses (B)	51,896.63	96.16%	67,230.48	93.70%	54,516.72	94.28%	32,956.00	95.84%	26,654.96	98.35%
Profit before extraordinary items and tax (C)	2,073.18	3.84%	4,518.61	6.30%	3,305.08	5.72%	1,431.60	4.16%	448.27	1.65%
Extraordinary items :	-	-	-	-	-	-	-	-	-	-
Profit before tax (D)	2,073.18	3.84%	4,518.61	6.30%	3,305.08	5.72%	1,431.60	4.16%	448.27	1.65%
<i>Tax expense :</i>										
(i) Current tax	690.88	1.28%	1,443.25	2.01%	1,148.04	1.99%	493.82	1.44%	145.44	0.54%
(ii) Deferred tax	15.12	0.03%	100.62	0.14%	(8.16)	-0.01%	(13.70)	-0.04%	(10.22)	-0.04%
Total Tax Expense (E)	675.76	1.25%	1,342.64	1.87%	1,156.20	2.00%	507.52	1.48%	155.67	0.57%
Profit for the year (D-E)	1,397.42	2.59%	3,175.98	4.43%	2,148.88	3.72%	924.08	2.69%	292.60	1.08%

Main Components of our Profit and Loss Account

Income

Our total income comprises of revenue from operations and other income.

Revenue from Operations

Our revenue from operation as a percentage of total income were 99.63%, 99.80% and 99.90% respectively, for the fiscals 2018, 2017 and 2016. Our revenue from operations consists of revenue from trading and distribution of various branded and local products.

Other Income

Our other income comprises of interest income, van allowance and other miscellaneous incomes. Other income, as a percentage of total income was 0.37%, 0.20% and 0.10%, respectively, for the fiscals 2018, 2017 and 2016..

Expenditure

Our total expenditure primarily consists of purchases, changes in inventories, employee benefit expenses, finance costs, depreciation & amortization expenses and other expenses.

Purchases

Purchase is primarily in relation to purchases of various branded and local products in bulk consisting of a varied range of ranging from digital consumer electronics, apparels, garments, fabrics and textiles / fashion & lifestyle, batteries & torches, white goods, office electronics, household items and agro & other commodities.

Employee Benefit Expenses

Expenses in relation to employees' remuneration and benefits include gratuity, salaries and bonus, directors' remuneration, wages, staff welfare expenses etc.

Finance costs

Finance cost primarily consists of interest payable on loans availed by our company from banks, bank charges, Interest on Cash Credit Facilities etc.

Depreciation Expenses

Depreciation expenses consist of depreciation on the tangible and intangible assets of our Company which primarily includes plant & machinery, computer, furniture and fixtures, office building, vehicles, brand, etc.

Other Expenses

Other expenses primarily include electricity expense, exhibition expenses, rent expenses, travelling expenses, repairs and maintenance etc.

Provision for Tax

The provision for current taxation is computed in accordance with relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.

Review for the six months period ended September 30, 2018*Income*

Our total income for the six months period ended September 30, 2018 was ₹ 53,969.81 lakhs. In the current period, the revenue earned from operations is ₹ 53,919.11 lakhs or 99.91% of the total income. Other income for said period was recorded at ₹ 50.70 lakhs or 0.09% of total income.

Purchase of Goods

The cost for the six months period ended September 30, 2018 was ₹ 53,572.81 lakhs. As a proportion of our total income, it was 99.26%.

Changes in Inventories

Changes in inventories of finished goods for six months period ended September 30, 2018 was negative ₹ 4,827.36 lakhs. As a proportion of our total income, it was (8.94)%.

Employee Benefit Expenses

Our Employee Benefit Expenses for six months period ended September 30, 2018 was ₹ 570.43 lakhs. As a proportion of our total income it was 1.06%.

Financial Cost

Our Financial Cost for six months period ended September 30, 2018 was ₹ 1,904.58 lakhs i.e. 3.53% of the total income for the period.

Depreciation and Amortization Expenses

Our Depreciation and Amortization Expenses for six months period ended September 30, 2018 was ₹ 113.04 lakhs. As a proportion of total income it was 0.21%.

Other Expenses

Our Other Expenses for six months period ended September 30, 2018 was ₹ 563.13 lakhs. As a proportion of our total income it was 1.04%.

Profit before Tax

Profit / (Loss) before Tax for six months period ended September 30, 2018 were ₹ 2,073.18 lakhs.

Profit after Tax

Profit / (Loss) after Tax for six months period ended September 30, 2018 were ₹ 1,397.42 lakhs.

Fiscal 2018 compared with Fiscal 2017*Revenue from Operation*

Revenue from operations had increased by 23.87%, from ₹ 57,708.90 lakhs in Fiscal 2017 to ₹ 71,484.40 lakhs in Fiscal 2018. This increase in sales is mainly due to increase in the Company's scale of operations primarily attributable to increased sales of consumer durable electronics items and various brand sales.

Other Income

Other income had increased by 134.45%, from ₹ 112.90 lakhs in Fiscal 2017 to ₹ 264.69 lakhs in Fiscal 2018 on account of profit on sale of investment.

Purchases

Purchases had increased by 13.88%, from ₹ 63,467.30 lakhs in Fiscal 2017 to ₹ 72,274.83 lakhs in Fiscal 2018. This increase in purchases is in line with the increase in the Company's scale of operations.

Changes in inventories

Changes in Inventories had a variance by 24.59% from negative ₹ 13,841.50 lakhs in Fiscal 2017 to negative ₹ 10,438.22 lakhs in Fiscal 2018.

Employee Benefit Expenses

Employee benefit expenses had been decreased by 11.97%, from ₹ 1074.93 lakhs in Fiscal 2017 to ₹ 946.22 lakhs in Fiscal 2018 on account of reduction in staff welfare & placement expenses.

Finance Cost

Finance Cost had increased by 39.59% from ₹ 1,921.91 lakhs in Fiscal 2017 to ₹ 2,682.76 lakhs in Fiscal 2018. This is primarily on account of increase in borrowing cost on additional short term borrowings to finance increased working capital requirements.

Depreciation and Amortization Expenses

Depreciation had increased by 88.98%, from ₹ 104.32 lakhs in Fiscal 2017 to ₹ 197.14 lakhs in Fiscal 2018 on account of increase in gross block of intangible assets.

Other Expenses

Other expenses had decreased by 12.41% from ₹ 1,789.77 lakhs in Fiscal 2017 to ₹ 1,567.75 lakhs in Fiscal 2018. The decrease in these expenses was majorly due to better management of finances; inter alia decrease in various administrative and selling & distribution expenses.

Tax Expenses

The Company's tax expenses had increased by 16.12% from ₹ 1,156.20 lakhs in the Fiscal 2017 to ₹ 1,342.64 lakhs in Fiscal 2018. This is primarily due to an increase in profit before tax as compare to last year.

Profit after Tax

After accounting for taxes at applicable rates, our profit after tax had increased by 47.80%, from ₹ 2148.88 lakhs in Fiscal 2017 to ₹ 3,175.98 lakhs in Fiscal 2018 as a result of reasons stated above.

Fiscal 2017 compared with Fiscal 2016

Revenue from Operation

Revenue from operations had increased by 67.98%, from ₹ 34,353.98 lakhs in Fiscal 2016 to ₹ 57,708.90 lakhs in Fiscal 2017. This increase in sales is mainly due to increase in the Company's scale of operations primarily attributable to increased sales of consumer durable electronics items, commodities and various brand sales.

Other Income

Other income had increased by 235.82%, from ₹ 33.62 lakhs in Fiscal 2016 to ₹ 112.90 lakhs in Fiscal 2017. Increase is attributable to hike in income from interest & miscellaneous income.

Purchase

Purchase had increased by 95.05%, from ₹ 32,539.35 lakhs in Fiscal 2016 to ₹ 63,467.30 lakhs in Fiscal 2017. This increase in purchases is in line with the increase in the Company's scale of operations.

Changes in inventories

Changes in Inventories have a variance by 533.77% from ₹ (2,184.01) lakhs in Fiscal 2016 to ₹ (13,841.50) lakhs in Fiscal 2017.

Employee Benefit Expenses

Employee benefit expenses had increased by 162.29%, from ₹ 409.83 lakhs in Fiscal 2016 to ₹ 1,074.93 lakhs in Fiscal 2017. Increase is combined result of increased salary levels, fresh hiring & increments in staff welfare & placement expenditure.

Finance Cost

Finance Cost has increased by 144.81% from ₹ 785.05 lakhs in Fiscal 2016 to ₹ 1,921.91 lakhs in Fiscal 2017. This is primarily on account of borrowing cost on additional short term borrowings to finance increased working capital requirements and interest on unsecured loans.

Depreciation and Amortization Expenses

Depreciation expenses had decreased by 6.17%, from ₹ 111.17 lakhs in Fiscal 2016 to ₹ 104.32 lakhs in Fiscal 2017 on account of cessation of depreciation on some assets due to exhaust of useful lives and minor sale of fixed assets.

Other Expenses

Our Other expenses had increased by 38.25%, from ₹ 1,294.61 lakhs in Fiscal 2016 to ₹ 1,789.77 lakhs in Fiscal 2017. This increase is mainly attributable to certain administrative expenses, selling & distribution expenses and rent during the year.

Tax Expenses

Our total tax expenses had increased by 127.81%, from ₹ 507.52 lakhs in Fiscal 2016 to ₹ 1,156.20 lakhs in Fiscal 2017. This is primarily due to an increase in profit before tax as compare to last year

Profit after Tax

After accounting for taxes at applicable rates, our profit after tax had increased by 132.54%, from ₹924.08 lakhs in Fiscal 2016 to ₹ 2,148.88 lakhs.

Fiscal 2016 compared with Fiscal 2015

Revenue from Operation

Revenue from operations had increased by 26.90%, from ₹ 27,070.98 lakhs in Fiscal 2015 to ₹ 34,353.98 lakhs in Fiscal 2016 primarily on account of increase in the Company's scale of operations.

Other Income

Our other income had increased marginally by 4.24%, from ₹ 32.25 lakhs in Fiscal 2015 to ₹ 33.62 lakhs in Fiscal 2016 due to marginal increase in interest income.

Purchases

Purchases had increased by 32.80%, from ₹ 24,503.40 lakhs in Fiscal 2015 to ₹ 32,539.35 lakhs in Fiscal 2016 on account of corresponding increase in sales.

Changes in inventories

Changes in Inventories have a variance by 925.67% from negative ₹ 212.94 lakhs in Fiscal 2015 to negative ₹ 2,184.01 lakhs in Fiscal 2016.

Employee Benefit Expenses

Employee Benefit Expenses had decreased by 7.86%, from ₹ 444.81 lakhs in Fiscal 2015 to ₹ 409.83 lakhs in Fiscal 2016 on account of decrease in staff welfare & placement expenditure.

Finance Cost

Finance Cost has increased marginally by 0.47% from ₹ 781.41 lakhs in Fiscal 2015 to ₹ 785.05 lakhs in Fiscal 2016. This is primarily on account of marginal increase in interest on short term borrowings.

Depreciation and Amortization Expenses

Depreciation had increase by 6.43%, from ₹ 104.45 lakhs in Fiscal 2015 to ₹ 111.17 lakhs in Fiscal 2016 due to addition of new fixed assets and corresponding increase in gross block.

Other Expenses

Other expenses had increased by 25.22% from ₹ 1,033.83 lakhs in Fiscal 2015 to ₹ 1,294.61 lakhs in Fiscal 2016. This increase is mainly attributable to certain administrative expenses, selling & distribution expenses and professional fees during the year.

Tax Expenses

Our total tax expenses had increased by 226.03% from ₹ 155.67 lakhs in Fiscal 2015 to ₹ 507.52 lakhs in Fiscal 2016. This is primarily due to an increase in profit before tax as compare to last year.

Profit / (Loss) after Tax

After accounting for taxes at applicable rates, our profit for the year after tax had increased by 215.81%, from profit of ₹ 292.60 lakhs in Fiscal 2015 to profit of ₹ 924.08 lakhs in Fiscal 2016 as a result of reasons stated above.

CASH FLOWS

The table below sets forth our net cash flows with respect to operating activities, investing activities and financing activities for the periods indicated

(₹ in lakhs)

Particulars	As at September 30, 2018	Year ended March 31,		
		2018	2017	2016
Net Cash (used)/from Operating Activities	(2,399.74)	(5,594.00)	(8,607.06)	484.22
Net Cash (used)/from Investing Activities	(449.78)	(280.54)	(79.06)	7.58
Net Cash (used)/from Financing Activities	2,814.75	4,452.79	9,501.55	(215.57)

Cash Flows from Operating Activities

Net cash from operating activities for the six month ended September 30, 2018 was ₹ (2,399.74) lakhs as compared to the PBT of ₹ 2,073.18 lakhs for the same period. The difference was primarily on account of adjustment in Interest & Finance Charges, Trade Receivable, Inventories, Trade Payable & Other Current Liabilities.

Net cash flow from operating activities for the Fiscal 2018 was ₹ (5,594.00) lakhs as compared to the PBT of ₹ 4,518.61 lakhs for the same period. The difference was primarily on account of adjustment in Interest & Finance Charges, Trade Receivable & Inventories.

Net cash flow from operating activities for the Fiscal 2017 was ₹ (8,607.06) lakhs as compared to the PBT of ₹ 3,305.08 lakhs for the same period. The difference was primarily on account of adjustment in Interest & Finance Charges, Trade Receivable, Inventories & Trade Payable.

Net cash flow from operating activities for the Fiscal 2016 was ₹ 484.22 lakhs as compared to the PBT of ₹ 1,431.60 lakhs for the same period. The difference was primarily on account of adjustment in Interest & Finance Charges, Trade Receivable, Inventories & Short Term Loans & Advances.

Cash Flows from Investment Activities

For the period September 30, 2018, the net cash used in Investing Activities was ₹ 449.78 lakhs. This was primarily on account of purchase of fixed assets of ₹ 428.55 lakhs.

In the Fiscal 2018, the net cash used for Investing Activities was ₹ 280.54 lakhs. A major part of the net cash used comprises of purchase of fixed assets of ₹ 429.56 lakhs.

In the Fiscal 2017, the net cash used for Investing Activities was ₹ 79.06 lakhs. Asset purchases were of ₹ 79.06 lakhs.

In the Fiscal 2016, the net cash released from Investing Activities was ₹ 7.58 lakhs. This was primarily on account of receipt of ₹ 37.30 lakhs on account of loans & advances already given & received back.

Cash Flows from Financing Activities

Net cash inflow from financing activities for the period ended September 30, 2018 was ₹ 2814.75 lakhs. This was majorly on account of increase in short term & long term borrowings.

Net cash inflow from financing activities in fiscal 2018 was ₹ 4452.79 lakhs. This was majorly on account of increase in short term borrowings.

Net cash inflow from financing activities in fiscal 2017 was ₹ 9501.55 lakhs. This was majorly on account of increase in short term & long term borrowings.

Net cash outflow from financing activities in fiscal 2016 was ₹ 215.57 lakhs. This was majorly on account of payment of interest & financial charges.

OTHER MATTERS

1. Unusual or infrequent events or transactions

Except as described in this Draft Red Herring Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

2. Significant economic changes that materially affected or are likely to affect income from continuing Operations

Other than as described in the Section titled “*Financial Information*” and chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*”, beginning on page nos. 149 and 172 of this Draft Red Herring Prospectus respectively, to our knowledge, there are no significant economic changes that materially affected or are likely to affect income from continuing Operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations

Other than as described in the chapter titled “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Conditions and Result of Operations*”, beginning on page nos. 20 and 172 of this Draft Red Herring Prospectus respectively to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

4. Future relationship between Costs and Income

Other than as described in the chapter titled “*Risk Factors*” beginning on page no. 20 of this Draft Red Herring Prospectus, to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

5. The extent to which material increases in revenue or income from operations are due to increased volume, introduction of new products or services or increased prices

Increases in revenues are by and large linked to increases in introduction of new products and volume of business activity carried out by the Company.

6. Total turnover of each major industry segment in which our Company operates.

Our Company is engaged in the business of gold jewellery. Relevant industry data, as available, has been included in the chapter titled "*Industry Overview*" beginning on page no. 79 of this Draft Red Herring Prospectus.

7. Status of any publicly announced new products or business segments

Please refer to the chapter titled "*Our Business*" beginning on page no. 99 of this Draft Red Herring Prospectus.

8. The extent to which the business is seasonal.

Our business is not seasonal in nature.

9. Any significant dependence on a single or few suppliers or customers

The revenues from our top 10 customers constituted approximately 80.03% for fiscal 2018. For further details, please refer chapter "*Risk Factors*" beginning on page no. 20 of this Draft Red Herring Prospectus.

10. Competitive Conditions

Our Company faces competition from players in the global market as well as domestic market and from organized and unorganized players. We expect competition to intensify due to possible changes in government policies and further compliance standards for the products manufactured by us, existing competitors globally and locally further expanding their operations and further many small and medium-sized companies and entities engaged in manufacturing of chemicals. This we believe may impact our financial condition and operations.

CAPITALIZATION STATEMENT

STATEMENT OF CAPITALIZATION, AS RESTATED

(₹ in lakhs)

Particulars	Pre Issue (as at September 30, 2018)	Post Issue
Borrowings		
Long term debt (A)	7,674.37	7,674.37
Short Term Debt (B)	23,530.80	23,530.80
Total debts (C=A+B)	31,205.17	31,205.17
Shareholders' funds		
Equity share capital (D)	1,493.40	[•]
Reserve and surplus - as restated (E)	8,097.94	[•]
Total shareholders' funds (F=D+E)	9,591.34	[•]
Long term debt / shareholders funds (A / F)	0.80	[•]
Total debt / shareholders funds (C / F)	3.25	[•]

Note:

- a) The above has been computed on the basis of Restated Financials of the Company.

FINANCIAL INDEBTEDNESS

Set forth below, is a brief summary of our Company's borrowings as on September 30, 2018 together with a brief description of certain significant terms of such financing arrangements.

Nature of Borrowing	Amount (₹ in Lakhs)
Secured Borrowings	24,972.19
Unsecured Borrowings	6,907.73
Total⁽¹⁾	31,699.92

⁽¹⁾ Includes ₹ 494.74 lakhs shown under Current Liabilities as 'Current Maturities of Long Term Debt'.

I. DETAILS OF SECURED LOANS

A. Working Capital & Business Loans

(₹ in lakhs)

Name of Lender	Type of Loan	Date of Sanction	Amount Sanctioned	Amount Outstanding as on September 30, 2018	Interest (in % p.a.)	Repayment Schedule	Security
Union Bank of India ("UBI"), DBS Bank ("DBS"), RBL Bank ("RBL"), Vijaya Bank ("VB"), IDFC Bank ("IDFC") ⁽⁶⁾ , HDFC Bank ("HDFC") and State Bank of India ("SBI")	Cash Credit / Working Capital Facility	Indenture of Mortgage dated February 18, 2017 and the sanction letters issued by each of the Consortium Lenders from time to time	Aggregate Amount: 22,750.00 ⁽¹⁾		Base Rate (%) ("BR"), Floating Rate (%) ("FR")		See Note 1
			UBI: 5,000.00	2,987.98	BR 8.20 + FR 2.80 = 11.00	Repayable on demand within one year	
			DBS: 4,000.00 ⁽²⁾	2,208.09	BR 9.15 + FR	Repayable on demand	
			RBL: 4,500.00	3,449.45	BR MCLR + FR 2.10	Repayable on demand within one year	
			VB: 2,000.00 ⁽³⁾	1,497.80	BR MCLR + FR 4.85 ⁽⁵⁾	Repayable on demand within one year	
			IDFC: 2,000.00	1,496.66 ⁽⁶⁾	BR 9.40 + FR 2.60 = 12.00	Repayable on demand	
			HDFC: 4,750.00	2,904.03	12.00	Repayable on demand within one year	
			SBI: 500.00 ⁽⁴⁾	494.88	BR 8.55 + FR 0.95 = 9.50	Repayable on demand	
Axis Bank ⁽⁷⁾	Cash Credit Facility	March 21, 2018	3,000.00	2,961.56	BR 8.15 + FR 3.10 = 11.25	Repayable on demand	See Note 2

IndusInd Bank ⁽⁷⁾	Cash Credit Facility	May 31, 2018	2,500.00	2,418.90	BR 9.30 + FR 1.05 = 10.35	Repayable on demand (subject to annual review)	See Note 3
Yes Bank	Cash Credit Facility	May 23, 2017 (including Addendum to facility letter dated July 27, 2017)	2,500.00	2,494.62	BR MCLR + FR 4.05	Repayable on demand within one year	See Note 4
Saraswat Co-operative Bank ⁽⁶⁾⁽⁷⁾	Cash Credit Facility	September 10, 2018	2,500.00	Nil ⁽⁶⁾	BR 14.40 – FR 3.40 = 11.00	Repayable on demand (subject to periodic review)	See Note 5
S K S Fincap Pvt. Ltd.	Working Capital Loan	October 01, 2017	350.00	363.10	16.50	Repayable as per Reference ⁽⁸⁾	See Note 6
CLIX Finance India Pvt. Ltd.	Equipment Loan	July 06, 2018	361.37	348.77	13.00	1 st EMI - ₹ 3.91 lakhs & 59 EMIs of ₹ 8.32 lakhs	See Note 7
Dewan Housing Finance Corporation Ltd.	Plant & Machinery Loan	August 20, 2018	196.66	192.09	13.00	Repayable in 60 EMI of ₹ 4.48 lakhs each	Hypothecation on the Plant, Machinery & Equipment for which funding has been proposed
ECL Finance Ltd.	Equipment Loan	June 29, 2018	208.90	197.13	13.50	Repayable in 60 EMI of ₹ 4.81 lakhs each	Hypothecation on the Plant, Machinery & Equipment for which funding has been proposed
Tata Capital Financial Services Ltd.	Equipment Finance	June 22, 2018	520.00	497.97	11.75	Repayable in equal instalments for 48 months (after 3 month moratorium period)	See Note 8
LIC of India	Policy Loan	June 08, 2018	87.89	64.53	11.58	Repayable in equal half yearly instalments	Keyman Policy & Premium paid thereon till date

The aforesaid amounts sanctioned include sub-limit for amounts sanctioned towards Letters of Credit (“LC”), Buyer’s Credit (“BC”), Bank Guarantee (“BG”) and other Non-Fund Based facilities, as applicable. The details of the Non-Fund Based sanctions as per the above mentioned loan documentation is mentioned below:

Sr. No.	Name of the Lender	Amount Sanctioned (₹ lakhs)
Consortium Lenders		
1.	Union Bank of India	1,500.00
2.	DBS Bank ⁽¹⁾	2,950.00

3.	RBL Bank	1,000.00
4.	Vijaya Bank ⁽²⁾	500.00
5.	IDFC Bank ⁽⁶⁾	Nil
6.	HDFC Bank	1,700.00
7.	State Bank of India	Nil
Total		7,650.00

⁽¹⁾ The total loan amount as per the above mentioned Working Capital Consortium Loan agreement is ₹ 18,500 lakhs. However, due to revisions in individual bank sanctions after the said agreement, the current sanctioned amount of the Consortium is ₹ 22,750 lakhs.

⁽²⁾ The sanction amount of loan from DBS is ₹ 4,000.00 lakhs which includes Fund Based and Non-Fund Based limits which is fully interchangeable with having a sub-limit for Overdraft facility of ₹ 2,800 lakhs; Working Capital of ₹ 1,100 lakhs; LC of ₹ 1,800 lakhs; Buyers Credit of ₹ 1,100 lakhs and Bank Guarantee of ₹ 50 lakhs.

⁽³⁾ As per the sanction letter of Vijaya Bank, the Fund Based limits & Non-Fund Based Limits are ₹ 1,000 lakhs each. However, at the time of entering into the consortium agreement the bank has revised the Non-Fund based limit to ₹ 500 lakhs and balance ₹ 1,500 lakhs as Fund based limits.

⁽⁴⁾ As per the sanction letter of State Bank of India, the total sanction was for ₹ 2,500 lakhs consisting of Fund Based limit of ₹ 2,000 lakhs & Non-Fund Based Limits of ₹ 500 lakhs. However, at the time of entering into the consortium agreement the bank has revised the Fund based limit to ₹ 500 lakhs and 'Nil' Fund based limits.

⁽⁵⁾ Based on Vijaya Bank standard lending rates as presented on the Bank's website.

⁽⁶⁾ Vide Sanction letter dated September 10, 2018, Saraswat Co-operative Bank has taken over the loan of IDFC Bank, thus forming part of the Consortium. The Fund based limit of ₹ 1,500 lakhs and Non Fund based limit of ₹ 500 lakhs of IDFC Bank were converted to ₹ 2,000 lakhs of Fund based limit by Saraswat Bank. Also, we have received a No Due Certificate from IDFC Bank dated December 20, 2018.

⁽⁷⁾ Saraswat Bank, Axis Bank and IndusInd bank were made part of the Consortium with effect from the date of the First Supplemental Working Capital Consortium Agreement dated December 26, 2018.

⁽⁸⁾ Principle amount to be re-paid (after 12 month moratorium period) as - ₹ 50 lakhs on October 31, 2018 and ₹ 100 lakhs each on November 30, 2018, December 31, 2018 & January 31, 2019. Interest amount to be paid at Calendar Quarter end.

NOTE 1:

a) Primary Security

First Pari Passu charge by way of hypothecation the entire current assets of the Borrower namely, Stock in trade consisting of raw materials, semi finished and finished goods, stores and spares not relating to plant and machinery consumables stores, Bills Receivable and Book Debts, all outstanding monies receivables, both present and future whether now lying loose or in cases or which are now lying or stored in or about or shall hereinafter from time to time during the continuance of the security of these presents be brought into or upon or be stored or be in or about of the Borrower's factories, premises and godowns situated at Bhiwandi in Thane District and various other locations throughout India and/or wherever else the same may be or be held by any party to the order or disposition of the Borrower or in the course of transit or on high seas or on order or delivery, howsoever and whosoever in the possession of the Borrower and either by way of substitution or addition (referred to as "Current Assets")

b) Collateral Security

First Pari Passu charge on the following properties:

- All that piece or parcel of office premises No.403 admeasuring an area of 1,915 sq. ft. (built-up) or thereabouts on the 4th Floor of building known as Sumer Kendra Premises Co-op. Society Ltd., Near Doordarshan Kendra, Behind Mahindra Tower, Pandurang Budhkar Marg, Shivramseeth Amrutwar Road, Worli, Mumbai – 400 018 along with furniture and fixtures thereon and other movable assets placed in the aforesaid premises belonging to M/s. Associated Electrical Agencies;
- All that piece or parcel of office premises No. 404 admeasuring an area of 1,570 sq. ft. (built-up) or thereabouts and part of Terrace admeasuring 350 sq. ft. area attached to the said office premises on the 4th Floor of building known as Sumer Kendra Premises Co-op. Society Ltd., Near Doordarshan Kendra, Behind Mahindra Tower, Pandurang Budhkar Marg, Shivramseeth Amrutwar Road, Worli, Mumbai – 400 018, along with furniture and fixtures thereon and other movable assets placed in the aforesaid premises belonging to M/s. Associated Electrical Agencies;
- All that piece or parcel of office premises No. 405 admeasuring an area of 1,050 sq. ft. (built-up) or thereabouts and part of Terrace admeasuring 350 sq. ft. area attached to the said office premises on the 4th Floor of building known as Sumer Kendra Premises Co-op. Society Ltd., Near Doordarshan Kendra, Behind Mahindra Tower, Pandurang Budhkar Marg, Shivramseeth Amrutwar Road, Worli, Mumbai – 400 018, along with furniture and fixtures thereon and other movable assets placed in the aforesaid premises belonging to M/s. Associated Electrical Agencies;
- All that piece or parcel of office premises No. 201 to 211, admeasuring in aggregate 3,336.6 sq. ft. or thereabouts on the 2nd Floor of building known as S. S. Towers, being, lying and situated at Plot No. B-2, Jaipur Nagar, Chokdi, Hawali City, New Colony, Panch Bhatti, M. I. Road, Near Jayanti Market, Jaipur – 302 001 belonging to M/s. Associated Electrical Agencies;
- All that Shop/Office premises bearing No. 114, 117, 118, 119, 124, 125, 128, 129, 135, 138, 140, 141, 142, 143, 144, 145, 146, 147, 149 and 150 admeasuring an aggregate area of 5,760 sq. ft. or thereabouts on the 1st Floor of building known as Golden Trade Centre Condominium, Tikarpara, Dr. Rajendra Prasan ward, 46, P. C. 114 / 45, Kh. No. 386 / 3, 387 / 24 at Raipur Tehsil & District Raipur, Chhattisgarh belonging to Mr. Kunal Krishna Kumar Jiwarajka; together with all the buildings, structures, erections, sheds, fixtures and fittings and plant and machineries permanently attached to the earth or permanently fastened to anything that is attached to the earth both present and future.
- A Residential Flat admeasuring 2,155 sq. ft. or thereabouts built-up area along with furniture and fixtures thereon and other movable assets placed in the aforesaid premises belonging to Mrs. Laxmidevi Krishna Kumar Jiwarajka;
- A Residential Flat admeasuring 1,678 sq. ft. or thereabouts built-up area along with furniture and fixtures thereon and other movable assets placed in the aforesaid premises belonging to M/s. JSK Distributions LLP;
- Flat No. 1002 on the 10th Floor, admeasuring an area of 1,711 Sq. ft. in the building No. II known as BIANCA, constructed on the plot of land bearing New Survey No. 19/3/12, 19/3/3, 19/3/3/5, 19/3/3/6, 19/3/3/7, 19/3/3/8, 19/3/3/9, 19/3/3/10, 19/3/3/11, 19/3/3/2, 19/3/3/12, 19/3/3/13, 19/3/2B/1, 19/3/2B/1/4, 19/3/2B/1/2, lying, being and situated at Revenue Village - Undri, Taluka - Haveli, Dist - Pune and within the limits of Grampanchayat Pune and within the jurisdiction of Sub-Registrar, Taluka - Haveli, Dist - Pune belonging to M/s. JSK Propmart LLP;
- Flat No. 902 admeasuring an area of 1,379 Sq. ft. carpet area equivalent to 128.15 Sq. mtr. on the 9th Floor along with two car parking spaces in the building named “PALAZZO OPULENCE” of Mangal Nivedita Co-op. Hsg. Soc. Ltd., constructed on the plot of land bearing CTS No. G/451, of village Bandra, Taluka - Andheri, in the registration Dist and Sub Dist of Mumbai Suburban and situated on the plot of land bearing CTS No. G/597, Plot No. 10-B, Sarojini Road, Santacruz (West), Mumbai – 400 054 belonging to M/s. JSK Propmart LLP;

Further, based on revised Sanction letters issued by the individual banks forming part of the consortium, the following properties have been included as collateral security:

Union Bank of India

- Flat No. B - 701 & B - 801 at Palazzo Landmark, Santacruz West, Mumbai – 400 054, owned by M/s. Associated Electrical Agencies;
- Flat No. 1201, Palazzo, Santacruz West, Mumbai – 400 054, owned by M/s. Associated Electrical Agencies;
- Flat No. 1401, Inez Tower, Mahim West, Mumbai – 400 016, owned by M/s. Associated Electrical Agencies;
- Office No. 501, Konark Epitome, Lohgaon, Pune – 411 014, owned by M/s. Associated Electrical Agencies;
- Eight flats at Arihant City, situated at Bhiwandi, Thane – 421 302, owned by M/s. Associated Electrical Agencies;

c) Personal / Firm / Corporate Guarantees

In addition to the above security the aforementioned loans are also secured by way of guarantee, the details of which are as under:

<i>Sr. No.</i>	<i>Name of Bank</i>	<i>Personal / Corporate Guarantee</i>
1	Union Bank of India	Mr. Kunal Jiwarajka, Mrs. Laxmidevi Jiwarajka, Mrs. Sakshi Jiwarajka, M/s. Associated Electrical Agencies, M/s. JSK Distributions LLP, M/s. JSK Propmart LLP
2	DBS Bank	Mr. Kunal Jiwarajka, Mrs. Laxmidevi Jiwarajka, Mrs. Sakshi Jiwarajka, M/s. Associated Electrical Agencies
3	RBL Bank	Mr. Kunal Jiwarajka, Mrs. Laxmidevi Jiwarajka, Mrs. Sakshi Jiwarajka, M/s. Associated Electrical Agencies
4	Vijaya Bank	Mr. Kunal Jiwarajka, Mrs. Laxmidevi Jiwarajka, Mrs. Sakshi Jiwarajka, M/s. Associated Electrical Agencies, M/s. JSK Distributions LLP, M/s. JSK Propmart LLP
5	IDFC Bank	Mr. Kunal Jiwarajka, Mrs. Laxmidevi Jiwarajka, Mrs. Sakshi Jiwarajka, M/s. Associated Electrical Agencies, M/s. JSK Distributions LLP, M/s. JSK Propmart LLP
6	HDFC Bank	Mr. Kunal Jiwarajka, Mrs. Laxmidevi Jiwarajka, Mrs. Sakshi Jiwarajka, M/s. Associated Electrical Agencies, M/s. JSK Distributions LLP
7	State Bank of India	Mr. Kunal Jiwarajka, Mrs. Laxmidevi Jiwarajka, Mrs. Sakshi Jiwarajka, M/s. Associated Electrical Agencies, M/s. JSK Distributions LLP, M/s. JSK Propmart LLP

NOTE 2:

a) Primary Security

First Pari Passu charge on the entire Current Assets of the Borrower, present and future.

b) Collateral Security

Pari-Passu charge on the Collateral Properties situated at Golden Trade Centre, Raipur; New Colony, Jaipur; Worli, Mumbai; BIANCA, Pune; Palazzo Opulence, Mumbai; Arihant City, Bhiwandi; Inez Tower, Mumbai; Konark Epitome, Pune; and Palazzo Landmark, Mumbai; offered as security to the Consortium, led by Union Bank of India

c) Personal / Firm / Corporate Guarantees

In addition to the above securities, the aforementioned loan is also secured by way of personal guarantee of Mr. Kunal Jiwarajka, Mrs. Laxmidevi Jiwarajka, Mrs. Sakshi Jiwarajka and M/s. Associated Electrical Agencies.

NOTE 3:

a) Primary Security

First Pari Passu charge by way of hypothecation of all present and future Current Assets (including of stocks, goods in transit, receivables & book debts) of the Company with other Consortium lenders.

b) Collateral Security

- First charge by way of mortgage of residential property at Mumbai situated at Flat No. 1401, Inez Tower, Mahim West, Mumbai – 400 016, owned by M/s. Associated Electrical Agencies
- First Pari-Passu charge on the Collateral Properties situated at Worli, Mumbai; New Colony, Jaipur; Golden Trade Centre, Raipur; and residential properties in Mumbai & Pune;

c) Personal / Firm / Corporate Guarantees

In addition to the above securities, the aforementioned loan is also secured by way of personal guarantee of Mr. Kunal Jiwarajka, Mrs. Laxmidevi Jiwarajka, Mrs. Sakshi Jiwarajka, M/s. Associated Electrical Agencies and M/s. JSK Distributions LLP.

NOTE 4:

a) Primary Security

- Subservient charge on Current Assets, both present and future
- Pledge of 1,00,000 equity shares of Indo-Natinoal Limited with minimum share cover of 0.34x of the value of the loan. Immediate Fixed Deposit top-up for margin trigger at movement of share price resulting in 10% decline in the proposed share cover of 0.34x (to be perfected within 90 days of disbursement).

b) Collateral Security

- Exclusive charge on residential / commercial properties by way of equitable mortgage of properties situated at Mahim, Mumbai; and Bhiwandi, Thane and security cover to be minimum at 0.50x (to be perfected within 90 days of disbursement).

c) Personal / Firm / Corporate Guarantees

In addition to the above securities, the aforementioned loan is also secured by way of personal guarantee of Mr. Kunal Jiwarajka, Mrs. Laxmidevi Jiwarajka, and Mrs. Sakshi Jiwarajka.

NOTE 5:

a) Primary Security

Hypothecation of stocks & debtors Borrower, for upto 90 days.

b) Collateral Security

Collateral Security to be as per the renewed Consortium Agreement, to be entered between within 3 months of the date of the sanction

NOTE 6:

a) Primary Security

Pledge of Equity Shares of Indo-National Limited such that the market value of pledge is greater than 2.00x of the loan value at all times

b) Personal Guarantees

In addition to the above securities, the aforementioned loan is also secured by way of personal guarantee of Mrs. Laxmidevi Jiwarajka.

NOTE 7:

a) Primary Security

1. First and exclusive charge on the Equipment financed by the Lender.
2. NACH mandate/any other mode notified by the RBI in a form and manner acceptable to the Lender for the complete tenor of the Facility from DBS Bank Current Ale No. 811210094276

3. Charge over any collateral given by the Borrower under or pursuant to any other facility granted by the Lender and/or its affiliates to the Borrower.

b) Personal Guarantees

Irrevocable & Unconditional Personal Guarantee of Mr. Kunal Jiwarajka & Mrs. Laxmidevi Jiwarajka

NOTE 8:

a) Primary Security

Hypothecation of the Machinery purchased / to be purchased out of proposed funding.

b) Personal Guarantees

Irrevocable & Unconditional Personal Guarantee of Mr. Kunal Jiwarajka & Mrs. Laxmidevi Jiwarajka

Negative Covenants

During the currency of the facilities, without prior approval of the Lenders which shall not be unreasonably withheld, the Borrower (JSK Marketing Limited) shall not:

- ✓ Approach Capital Market for mobilizing additional resources either in the form of debt or equity.
- ✓ Undertake or permit any merger, de-merger, consolidation, re-organisation, dissolution or reconstitution scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction or dissolution or reconstitution including creation of an subsidiary or permit any company to become its subsidiary.
- ✓ Engage in any manner whatsoever in any business or activities other than those which the Borrower is currently engaged in.
- ✓ Amend or modify its constitutional documents.
- ✓ Undertake any new project, implement any scheme of expansion / diversification or capital expenditure or acquire fixed assets
- ✓ Raise loan by the Promoter's equity holding in the Company and equity will not be pledged.
- ✓ Declare dividends without paying the due instalments, interests etc. to the Bank and without regularizing the Bank Accounts.
- ✓ Repay monies brought in by the Promoters/ Directors/ Principal Shareholders and their friends and relatives by way of deposits/loans/advances.

-
- ✓ Invest by way of share capital in or lend or advance funds to or place deposits with any other concern (including group companies).
 - ✓ Enter into borrowing arrangement either secured or unsecured with any other bank, financial institution, company or otherwise or accept deposits which increases indebtedness beyond permitted limits.
 - ✓ Undertake guarantee obligations on behalf of any other company, firm or person, except in the ordinary course of business.
 - ✓ Create any further charge, lien or encumbrance over the assets and properties of the company / firm or part thereof, charged / to be charged to the Bank, in favour of any other bank, financial institution, Company, firm or person.
 - ✓ Compound or Release any of the book-debts nor do anything whereby the recovery of the same may be impeded, delayed or prevented without the consent in writing of the Banks
 - ✓ Remove or dismantle any of the assets to be comprised in the security given without the consent in writing of the Banks, except normal replacements in the ordinary course of business.

B. Vehicle Loans

The Company has entered into arrangements with certain Banks and Financial Institutions as mentioned below:

- From Banks
 1. HDFC Bank
- From Financial Institutions
 1. BMW India Financial Services Pvt. Ltd. (Alphera Financial Services)

The total amount outstanding as on September 30, 2018 from Banks and Financial Institution was ₹ 50.35 lakhs & ₹ 39.53 lakhs respectively. The rate of interest for the vehicle loans varies from 9.65% to 11.50% and most of them are typically repayable by way of monthly instalments. The vehicles acquired pursuant to these loans have been hypothecated with the respective lenders.

II. DETAILS OF UNSECURED LOANS:

Loan from Banks / FIs / NBFCs

(₹ in lakhs)

Name of Lender	Sanction Amount	Amount outstanding as on September 30, 2018	Interest (in % p.a.)	Repayment Schedule
Jain Sons Finlease Ltd. (IntelleGrow)	300.00	229.22	19.00	Repayable in 18 monthly instalments of ₹ 19.29 lakhs
Jain Sons Finlease Ltd. (IntelleGrow)	250.00		20.00	Repayable in 18 monthly instalments of ₹ 16.19 lakhs
Jain Sons Finlease Ltd. (IntelleGrow)	300.00		20.00	Repayable in 36 monthly instalments of ₹ 11.15 lakhs
Edelweiss Retail Finance Ltd.	40.00	8.40	18.50	Repayable in 36 monthly instalments of ₹ 1.46 lakhs
Kotak Mahindra Bank	70.00	19.78	17.50	Repayable in 24 monthly instalments of ₹ 3.48 lakhs
Neogrwoth Credit Pvt. Ltd. & IMFR Finance Capital Pvt. Ltd.	100.00	86.57	13.00	Repayable in 360 daily instalments of ₹ 0.31 lakhs
Neogrwoth Credit Pvt. Ltd. & Northern Arc Capital Finance Ltd.	90.00		13.00	Repayable in 360 daily instalments of ₹ 0.28 lakhs
IVL Finance Limited	37.36	30.23	19.00	Repayable in 12 monthly instalments of ₹ 3.44 lakhs
Capital Float Pvt. Ltd.	200.00	253.73	16.00	Repayable in 360 daily instalments

Loan from Directors

Name of Lender	Amount outstanding as on September 30, 2018 (₹ in lakhs)
Mr. Kunal Jiwrajka	3,014.32
Mrs. Laxmidevi Jiwrajka	3,358.58
Mrs. Sakshi Jiwrajka	31.64

Note: The above loans from Directors do not carry any rate of interest and are payable on demand

SECTION VIII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no:

A. (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; or (iv) Material Litigation (as defined below); involving our Company, Directors, Promoters or Group Companies. Our Board, in its meeting held on February 05, 2019, determined that outstanding legal proceedings involving the Company, Directors, Promoters and Group Companies: (a) where the aggregate amount involved, in such individual litigation exceeds 5% of the net profit of our Company as per the Restated financial statements for last full fiscal will be considered as material litigation (“Material Litigation”).

B. (i) outstanding Material Dues (as defined below) to creditors; or (ii) outstanding dues to small scale undertakings and other creditors.

Our Board, in its meeting held on February 05, 2019, determined that outstanding dues to creditors in excess of 5% of our Company’s Net Profit as per Restated Consolidated Financial Information shall be considered as material dues (“Material Dues”). Details of outstanding dues to creditors (including micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006) as required under the SEBI ICDR Regulations have been disclosed on our website at www.jskindia.com

Our Company, Directors, Promoter and Group Companies are not Wilful Defaulters and there have been no violations of securities laws in the past or pending against them.

LITIGATION INVOLVING OUR COMPANY

A. LITIGATION AGAINST OUR COMPANY

1. Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (in ₹)
1.	Income Tax (A.Y. 2008-2009)	1	12,44,524 [#]
2.	Income Tax (A.Y. 2009-2010)	1	49,872 [#]
3.	Income Tax (A.Y. 2010-2011)	1	10,98,830 ^{(1)#}
4.	Income Tax (A.Y. 2011-2012)	1	20,705 [#]
5.	Income Tax (A.Y. 2013-2014)	1	1,600 [#]
6.	Income Tax (A.Y. 2016-2017)	1	19,62,720 [#]
7.	Income Tax (A.Y. 2017-2018)	1	3,04,30,790 ⁽²⁾
Total		7	3,48,09,041

[#] The above outstanding amounts are as per the pending amounts reflected in the online records of the website of the Income-tax Department. As on date, no demand notices or other proceedings have been issued to/served upon the Company calling upon the Company to pay the above amounts.

⁽¹⁾ Demand raised under Section 154 of the Income-tax Act, 1961 against the Company for the A.Y. 2010-2011.

⁽²⁾ Intimation under Section 143(1) of the Income-tax Act, 1961 dated November 9, 2018 for the A.Y 2017-2018.

(ii) Indirect Taxes Liabilities

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/ demanded (in ₹)
1.	Maharashtra Value Added Tax (Assessment Period 2013-2014)	1	4,96,16,117 ⁽¹⁾
2.	Sales Tax (Assessment Period 2013-2014)	1	9,84,537 ⁽²⁾
3.	Value Added Tax (Assessment Period April 2017 to June 2017)	1	35,13,841 [#]
4.	Sales Tax (Assessment Period April 2017 to June 2017)	1	57,394 [#]
5.	TDS (A.Y. 2007-2008)	1	2,17,930 [#]
6.	TDS (A.Y. 2008-2009)	1	7,82,420 [#]
7.	TDS (A.Y. 2009-2010)	1	1,46,570 [#]
8.	TDS (A.Y. 2010-2011)	1	5,75,000 [#]
9.	TDS (A.Y. 2011-2012)	1	5,49,570 [#]
10.	TDS (A.Y. 2012-2013)	1	14,50,740 [#]
11.	TDS (A.Y. 2013-2014)	1	11,95,270 [#]
12.	TDS (A.Y. 2014-2015)	1	9,47,720 [#]
13.	TDS (A.Y. 2015-2016)	1	28,53,120 [#]
14.	TDS (A.Y. 2016-2017)	1	23,89,430 [#]
15.	TDS (A.Y. 2017-2018)	1	5,50,460 [#]
Total		15	6,58,30,119

[#] The above outstanding amounts are as per the pending amounts reflected in the online records of the website of the Income-tax Department. As on date, no demand notices or other proceedings have been issued to/served upon the Company calling upon the Company to pay the above amounts.

⁽¹⁾ Notice of demand dated March 31, 2018 issued by the Sales Tax Department under Section 32 of the MVAT directing the Company to pay ₹ 4,96,16,117/- for the Assessment Period 2013-2014 vide Assessment Order dated March 31, 2018.

⁽²⁾ Final Notice of Assessment dated March 31, 2018 issued by the Deputy Commissioner of State Tax (E-825) under Central Sales Tax Act, 1958 directing the Company to pay a sum of ₹ 9,84,537/- for the Assessment Period 2013-2014 vide Assessment Order dated March 31, 2018.

4. Other Pending Litigations

NIL

B. LITIGATION FILED BY OUR COMPANY

1. Litigation Involving Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

LITIGATION INVOLVING OUR DIRECTORS

A. LITIGATION AGAINST OUR DIRECTORS

1. Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (in ₹) [#]
1.	Income Tax (A.Y. 2008-2009)	1	1,76,290 ⁽¹⁾
2.	Income Tax (A.Y. 2009-2010)	1	2,439 ⁽²⁾
3.	Income Tax (A.Y. 2010-2011)	1	3,18,350 ⁽³⁾
4.	Income Tax (A.Y. 2012-2013)	1	27,420 ⁽⁴⁾
5.	Income Tax (A.Y. 2014-2015)	1	830 ⁽⁵⁾
6.	Income Tax (A.Y. 2015-2016)	1	595 ⁽⁶⁾
7.	Income Tax (A.Y. 2016-2017)	1	1,130 ⁽⁷⁾
8.	Income Tax (A.Y. 2017-2018)	1	12,450 ⁽⁸⁾
9.	Show Cause Notices in respect of income-tax assessment proceedings of the Company (A.Y. 2016-2017)	3	Unascertainable ⁽⁹⁾
Total		11	5,39,504

[#] The above outstanding amounts are as per the pending amounts reflected in the online records of the website of the Income-tax Department. As on date, no demand notices or other proceedings have been issued to/served upon the Company calling upon the Company to pay the above amount.

⁽¹⁾ Demand raised under Section 143(1)(a) of Income Tax Act, 1961 for A.Y 2008-2009 in respect of Kunal Jiwaraajka,

⁽²⁾ Demand raised under Section 220(2) of Income Tax Act, 1961 for the A.Y. 2009-2010 in respect of Kunal Jiwaraajka.

⁽³⁾ Demand raised under Section 143(1)(a) of Income Tax Act, 1961 for A.Y 2010-2011 in respect of Sakshi Kunal Jiwaraajka

⁽⁴⁾ Demand raised under Section 143(1)(a) of Income Tax Act, 1961 for A.Y 2012-2013 in respect of Kunal Jiwaraajka,

⁽⁵⁾ Demand raised for A.Y 2014-2015 in respect of Kunal Jiwaraajka

⁽⁶⁾ Demand raised under Section 220(2) of Income Tax Act, 1961 for A.Y 2015-2016 in respect of Laxmidevi Jiwaraajka

⁽⁷⁾ Demand raised under Section 143(3) of the Income Tax Act for A.Y. 2016-2017 in respect of Laxmidevi Jiwaraajka.

⁽⁸⁾ Demand raised under Section 143(1)(a) of Income Tax Act, 1961 for A.Y 2017-2018 in respect of Kunal Jiwaraajka.

⁽⁹⁾ Show cause notices all dated January 24, 2018 issued by the Commissioner of Income Tax-5 under Section 276CC read with Section 278B of the Income-Tax Act, 1961 against directors of the Company - Kunal Jiwaraajka, Laxmidevi Jiwaraajka and Sakshi Jiwaraajka inter-alia calling upon the aforesaid directors to show cause as to why the prosecution under Section 276CC should not be commenced against the Company and its directors. The above outstanding amount is as per the pending amount reflected in the online records of the website of the

Income-tax Department. As on date, no demand notices or other proceedings have been issued to/served upon the Company calling upon the Company to pay the above amount.

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

B. LITIGATION FILED BY OUR DIRECTORS

1. Litigation Involving Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

LITIGATION INVOLVING OUR PROMOTERS

A. LITIGATION AGAINST OUR PROMOTERS

1. Litigation Involving Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

Except as disclosed in the Section Litigation Involving Our Directors -Litigation involving Tax Liabilities - Direct Tax Liabilities, there are no other pending litigations against our Promoters involving Direct Tax Liabilities.

(ii) Indirect Tax Liabilities

NIL

4. Other Pending Litigations

NIL

B. LITIGATION FILED BY OUR PROMOTERS

1. Litigation Involving Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

LITIGATION INVOLVING GROUP COMPANIES

A. LITIGATION AGAINST OUR GROUP COMPANIES

1. Litigation involving Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

B. LITIGATION FILED BY OUR GROUP COMPANIES

1. Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

Outstanding dues to Creditors

The details of dues payable to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development, 2006 as of September 30, 2018 are as given below:

Particulars	Number of Creditors	Amount involved (₹ in lakhs)
Micro, Small and Medium Enterprise	Nil	Nil

As per the materiality policy, creditors of our Company to whom an amount exceeding 5% of the Company's consolidated net profit as per the last audited financial statements was outstanding, were considered 'material' creditors. Based on these criteria, our Company had the following creditors as on September 30, 2018:

Particulars	Number of Creditors	Amount involved (₹ in lakhs)
Micro, Small and Medium Enterprise	Nil	Nil
Material Creditors	8	5,624.77
Other Creditors	10	858.96

For further details, please see the website of the Company at www.jskindia.com

Information provided on the website of our Company is not a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, would be doing so at its own risk.

Disciplinary action including penalty imposed by SEBI or stock exchanges against the promoters in the last five financial years

There are no disciplinary actions including penalty imposed by SEBI or Stock Exchanges against the Promoters during the last 5 financial years including outstanding actions.

Material developments occurring after last balance sheet date

Except as disclosed elsewhere in this Draft Red Herring Prospectus, there have been no material developments that have occurred after the Last Balance Sheet Date. For further details, please see the chapter titled "Management Discussions and Analysis of Financial Conditions and Result of Operations" beginning on page no. 172 of this Draft Red Herring Prospectus.

GOVERNMENT AND OTHER KEY APPROVALS

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities. In view of the approvals listed below, we can undertake the Issue and our current/ proposed business activities and no further major approvals from any governmental/regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.

The main objects clause of the Memorandum of Association of the Company and the objects incidental, enable our Company to carry out its activities.

Approvals for the Issue

1. The Board of Directors have, pursuant to Section 62(1)(c) and other applicable provisions of the Companies Act 2013, by a resolution passed at its meeting held on February 05, 2019, authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of our Company have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by special resolution passed in the extra ordinary general meeting held with a shorter notice on February 06, 2019 authorized the Issue.
3. In-principle approval dated [●] from the NSE EMERGE for listing of the Equity Shares issued by our Company pursuant to the Issue.
4. Our Company's International Securities Identification Number (“ISIN”) is INE05GX01017.

Approvals pertaining to Incorporation, name and constitution of our Company

1. Certificate of Incorporation, dated September 11, 1985, issued by the Registrar of Companies, Maharashtra, in the name of “Kwik Appliances Private Limited”.
2. Certificate of Incorporation, dated December 29, 2006 issued by the Registrar of Companies, Maharashtra, Mumbai consequent upon name change of the company from “Kwik Appliances Private Limited” to “JSK Marketing Private Limited”.
3. Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public Company dated March 17, 2017 issued to our Company by the Registrar of Companies, Mumbai consequent upon change of name of our Company from “JSK Marketing Private Limited” to “JSK Marketing Limited.”
4. The Corporate Identity Number (CIN) of the Company is U29300MH2003PLC037465.

I. GENERAL APPROVALS

1. Our Company has obtained Certificate of Importer-Exporter Code dated July 20, 2007 issued by Foreign Trade Development Officer, Ministry of Commerce and Industry bearing IEC No. 0307032141.

II. TAX RELATED APPROVALS

Sr. No.	Description	Registration/ Approval/ Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
1.	Permanent Account Number (PAN)*	AABCK4906F	Income Tax Department, Government of India	September 11, 1985	Valid until cancelled
2.	Tax Deduction Account Number (TAN)*	MUMK04722E	National Securities Depository Limited	February 23, 2011	Valid until cancelled

Sr. No.	Description	Registration/ Approval/ Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
3.	Certificate of Registration under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975*	27420598886P	Maharashtra Sales Tax Department	January 03, 2017	Valid until cancelled
4.	Certificate of Registration issued under the provisions of Central Goods and Service Tax Act, 2017 for premises at Ground, B/11/A, Premium House, B/H Handloom House, Opp Gandhigram RLW Station, Ellisbridge, Ahmedabad, Gujarat, 380006*	24AABCK4906F1ZW	Government of India	July 6, 2017	Valid Until Cancelled
5.	Certificate of Registration issued under the provisions of Central Goods and Service Tax Act, 2017 for premises at 2 nd floor, No. 9, 'Krishna Kasturi', 1 st Main Road, Ashwathnagar, R.M.V. 2 nd Stage, Sanjay Nagar Main Road, Bengaluru – 560 094*	29AABCK4906F1ZM	Government of India	July 8, 2018	Valid until Cancelled
6.	Certificate of Registration issued under the provisions of Central Goods and Service Tax Act, 2017 for premises at 4 th Floor, 403-405, Sumer Kendra, Co-op Society, Behind Mahindra Towers, Pandurang, Budhkar Marg, Worli, Mumbai City. ⁽¹⁾	27AABCK4906F1ZQ	Government of India	May 4, 2018	Valid Until Cancelled
7.	Certificate of Registration issued under the provisions of Central Goods and Service Tax Act, 2017 for premises at 1 st Floor, 6, Murugesan Street, Balavinayagar Nagar, Arumbakkam, Chennai, Tamil Nadu, 600106.	33AABCK4906F1ZX	Government of India	April 27, 2018	Valid until Cancelled
8.	Certificate of Registration issued under the provisions of Central Goods and Service Tax Act, 2017 for premises at Ground Floor, 37/1572, Subash Chandra Bose Road, Janhar Nagar, Ernakulam, Kerala, 682011 ⁽²⁾	32AABCK4906F1ZZ	Government of India	January 13, 2018	Valid Until Cancelled
9.	Certificate of Registration issued under the provisions of Central Goods and Service Tax Act, 2017 for premises at Property No. 81,	07AABCK4906F1ZS	Government of India	February 27, 2018	Valid until cancelled

Sr. No.	Description	Registration/ Approval/ Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
	Ridhi Siddhi Complex, Office no. 201, 2 nd Floor, Vikas Marg, Laxmi Nagar, Delhi – 110092 # First Floor, D-7, Vikas marg, Laxmi Nagar, East Delhi, Delhi – 110092 ⁽³⁾				
10.	Certificate of Registration issued under the provisions of Central Goods and Service Tax Act, 2017 for premises at 1 st Floor, III-M-30B, Nehru Nagar, Ghaziabad, Uttar Pradesh, 201001.	09AABCK4906F1ZO	Commercial Taxes Department, Government of Uttar Pradesh	June 27, 2017	Valid until Cancelled
11.	Certificate of Registration issued under the provisions of Central Goods and Service Tax Act, 2017 for premises at 1 st Floor, 355, Patel Sewa Nager Behind NRI, Petrol Pump Kumhar, Zero Mile BIEPASS, Patna, Bihar – 800026	10AABCK4906F1Z5	Government of India	December 26, 2017	Valid until cancelled
12.	Certificate of Registration issued under the provisions of Central Goods and Service Tax Act, 2017 for premises at Opposite Kanta Petrol Pump, Transport Nagar Chauraha, Rampur Road, Nainital, Uttarakhand – 263139	05AABCK4906F1ZW	Government of India	March 20, 2018	Valid until cancelled
13.	Certificate of Registration issued under the provisions of Central Goods and Service Tax Act, 2017 for premises at Plot No. 54 DLR Enclave, SaiKrupa, Secunderabad – 500094 Second Floor, Shop No. 51 530 B17, 1 st Cabin, Mirza Complex, Hill Street, Secunderabad, Hyderabad, Telangana, 500003 ^{*(4)}	36AABCK4906F1ZR	Government of India	July 19, 2018	Valid Until Cancelled
14.	Certificate of Registration issued under the provisions of Central Goods and Service Tax Act, 2017 for premises at 319, Shanti Nagar, Damohnaka, Jabalpur, Madhya Pradesh, 482002. *	23AABCK4906F1ZY	Government of India	July 18, 2018	Valid until Cancelled
15.	Certificate of Registration issued under the provisions of Central Goods and Service Tax Act, 2017 for premises at Noorani Chowk,	22AABCK4906F1ZO	Government of India	September 23, 2017	Valid until Cancelled

Sr. No.	Description	Registration/ Approval/ Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
	Rajtalab, Raipur, Chhatisgarh, 492001 ^{*(5)}				
16.	Certificate of Registration issued under the provisions of Central Goods and Service Tax Act, 2017 for premises at 2 nd Floor, B-2, SS Tower, Gopinath Marg, New Colony, Jaipur, Rajasthan – 302001*	08AABCK4906F1ZQ	Government of India	April 18, 2018	Valid Until Cancelled
17.	Certificate of Registration issued under the provisions of Central Goods and Service Tax Act, 2017 for premises at ground p-198, Ramkrishna Samadhi Road, Kolkata, Kankurgachi, North 24, Parganas, West Bengal, 700054*.	19AABCK4906F1ZN	Government of India	February 20, 2018	Valid Until Cancelled
18.	Certificate of Registration issued under the provisions of Central Goods and Service Tax Act, 2017 for premises at Tel Mil Lane, Piska More, Ratu Road, Ranchi, Jharkhand, 834005	20AABCK4906F1Z4	Government of India	May 28, 2018	Valid Until Cancelled
19.	Certificate of Registration issued under the provisions of Central Goods and Service Tax Act, 2017 for premises at Holding No. 1001/E, Ward No. 29, Thakurani Vihar Lane, Chauliaganj, Cuttack, Nayabazar, Cuttack, Odhisha, 753004 #	21AABCK4906F1Z2	Government of India	March 15, 2018	Valid Until Cancelled
20.	Certificate of Registration issued under the provisions of Central Goods and Service Tax Act, 2017 for premises at Floor, 1 st Floor 49, Pratap Nagar, DLF Colony, Rohtak, Haryana, 124001	06AABCK4906F1ZU	Government of India	July 11, 2018	Valid until cancelled
21.	Certificate of Registration issued under the provisions of Central Goods and Service Tax Act, 2017 for premises at Plot No. 6, Near Choice Resort, Zirakpur, Punjab, Patiala Punjab 140603.	03AABCK4906F1Z0	Government of India	April 27, 2018	Valid until cancelled
22.	Certificate of Registration issued under the provisions of Central Goods and Service Tax Act, 2017 for premises at SCO 76, Sector 38 C, Chandigarh, 160036 #	04AABCK490F1ZY	Government of India	April 27, 2018	Valid until Cancelled

23. The Company has obtained Profession Tax Enrolment No. 99181525732P under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975.

* This approval/certificate has been issued by the respective authority to the Company under the Company's previous name "JSK Marketing Private Limited". The Company is yet to apply to the concerned authorities for reflecting change of name from "JSK Marketing Private Limited" to "JSK Marketing Limited".

⁽¹⁾ The Company has 4 other offices in Maharashtra located at "Gala No. 5,6,7,8,9 and 10, Ground Floor, G.P. House, Mauje Globe Complex N/1 Building, Owali, Bhiwandi, Thane", "Off. 64-65 Verma Layput, Khadgaon Road, Wadi, Nagpur 440023", "S No. 182, 2/A Pune Saswad Rd, Near Hindustan Lever Co. Phursungi 412 308". These aforesaid places of carrying out business activities are not reflected in this approval/certificate and the Company is yet to apply to the concerned authorities for reflecting these places of business in the certificate.

⁽²⁾ This approval/certificate reflects the Company's place of business as "Ground Floor, 37/1572, Subash Chandra Bose Road, Janhar Nagar, Ernakulam, Kerala, 682011". However, the Company has changed its place of carrying out its business activities to 56/512 - , 1st Floor, Eliza Villa, Prabaiithara Cross Road, Cochin – 682036. The Company is yet to apply to the concerned authorities for reflecting the aforesaid change of address.

⁽³⁾ This approval/certificate reflects the Company's place of business as First Floor, D-7, Vikas marg, Laxmi Nagar, East Delhi, Delhi – 110092 Ground Floor. However, the Company has changed its place of carrying out its business activities to Property No. 81, Ridhi Siddhi Complex, Office no. 201, 2nd Floor, Vikas Marg, Laxmi Nagar, Delhi – 110092. The Company is yet to apply to the concerned authorities for reflecting the aforesaid change of address.

⁽⁴⁾ This approval/certificate reflects the Company's place of business as Second Floor, Shop No. 51 530 B17, 1st Cabin, Mirza Complex, Hill Street, Secunderabad, Hyderabad, Telangana, 500003. However, the Company has changed its place of carrying out its business activities to Plot No. 54 DLR Enclave, SaiKrupa, Secunderabad – 500094. The Company is yet to apply to the concerned authorities for reflecting the aforesaid change of address.

⁽⁵⁾ This approval/certificate reflects the Company's place of business as Noorani Chowk, Rajtalab, Raipur, Chhattisgarh, 492001. However, the Company has changed its place of carrying out its business activities to 21 Ravi Nagar, Raipur. The Company is yet to apply to the concerned authorities for reflecting the aforesaid change of address.

⁽⁶⁾ This approval/certificate reflects the Company's place of business as ground p-198, Ramkrishna Samadhi Road, Kolkata, Kankurgachi, North 24, Parganas, West Bengal, 700054. . However, the Company has changed its place of carrying out its business activities to 12-10, Ground Floor, Premises No. 112, Ashokega. The Company is yet to apply to the concerned authorities for reflecting the aforesaid change of address.







The Company is currently not using this property. However, the Company may use the same for carrying out business activities in the future.

III. LABOUR RELATED APPROVALS:

Sr. No.	Authority	Registration Number	Issuing Authority	Date of Issue	Date of Expiry
1.	Registration under Employees Provident Funds & Miscellaneous Provisions Act, 1952.	MH/BAN/49193	Regional Provident Fund Commissioner, Maharashtra	April 1, 2007	Valid until cancelled
2.	Registration under the Employee's State Insurance Act, 1948.	B/Cov/RL-5337/31-49023-101	Regional Director, Employees State Insurance Corporation, Mumbai	December 7, 2007	Valid until cancelled
3.	Certificate of Registration under Rajasthan Shops & Commercial Establishments Act, 1958 for premises at B-2, S.S. Tower, 2 nd Floor, New Colony, Jaipur, Rajasthan*	SCA/2018/14/134066	Government of Rajasthan, Department of Labour	January 1, 2017	December 31, 2020
4.	Certificate of Registration under Maharashtra Shops & Commercial Establishments Act, 1958 for premises at Block No 1 & 2, 687/2B, Parijat CHS, Plot No. 1, Bibwewadi, Pune - 411 037 *	1731000310971539	Government of Maharashtra, Department of Labour	April 4, 2017	April 4, 2020

* This approval/certificate has been issued by the respective authority to the Company under the Company's previous name "JSK Marketing Private Limited". The Company is yet to apply to the concerned authorities for reflecting change of name from "JSK Marketing Private Limited" to "JSK Marketing Limited".

IV. INTELLECTUAL PROPERTY RELATED APPROVALS

Particulars of the mark	Trade Mark Type	Applicant	Application Number and Date	Class	Status
	Device	The Company	2432264 23/11/2012	9	Registered
	Device	The Company	2432265 23/11/2012	9	Registered
	Device	The Company	2920374 12/03/2015	14	Registered
	Device	The Company	2920373 12/03/2015	9	Registered
PRODAL	Word	The Company	2221995 18/10/2011	30	Registered
TALASSIST	Word	The Company	1984389 24/06/2010	9	Registered
	Device	The Company	1665484 17/03/2008	9 and 11	Registered
	Device	The Company	1649502 04/02/2008	9 and 11	Registered
TIGON	Word	The Company	1649501 04/02/2008	9 and 11	Registered

⁽¹⁾ Indicates Multiclass Application

OTHER PENDING INTELLECTUAL PROPERTY RELATED APPROVALS

Particulars of the mark	Trade Mark Type	Applicant	Application Number and Date	Class	Status
E.IFFE	Word	The Company	3332151 08/082016	25	<i>Objected</i>

V. APPROVALS TO BE OBTAINED

Our Company is in the process of making applications for obtaining registrations under the applicable shops and establishment legislations in respect of certain offices/godowns as mentioned below:

Sr. No	Particulars
1.	Application under the Gujarat Shops and Commercial Establishment Act, 1948 for premises at Raghuvir Estate, National Highway No. 8 Aslali, Ahmedabad - 382 425
2.	Application under the Gujarat Shops and Commercial Establishment Act, 1948 for premises at A-11/1, A-11/2, A-11/3, A-11/4, Premium House, B/H Handloom House, Elis Bridge, Ahmedabad
3.	Application under the Karnataka Shops and Commercial Establishment Act, 1961 for premises at 2 nd floor, No. 9, 'KRISHNA KASTURI', 1 st Main Road, Ashwath Nagar, R.M.V. 2 nd Stage, Sanjay Nagar Main Road, Bengaluru - 560094
4.	Application under the Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017 for premises at Gala No. 5, 6, 7, 8, 9 and 10, Ground floor, G.P. House, Mauje Globe Complex N/1 Building, Owali, Bhiwandi, Thane

5.	Application under the Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017 for premises at 403-405, Sumer Kendra, Behind Mahindra Towers, Worli
6.	Application under the Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017 for premises at Off. 64-65 Verma Layout, Khadgaon Road, Wadi, Nagpur – 440023.
7.	Application under the Maharashtra Shops and Commercial Establishment Act, 1948 for premises at S No. 189,2/ A Pune Saswad Road, Near Hindustan Lever Co, Phursungi – 412 308.
8.	Application under the Tamil Nadu Industrial Establishments (National & Festival Holidays) Act, 1958 for premises at 1 ST Floor, Murugesan Street balavinayagar Nagar, Arumbakkam Chennai – 600106.
9.	Application under the Kerala Shops and Commercial Establishment Act, 1960 for premises at 56/512 – A, 1 st floor, Eliza Villa, Parambaithara Cross Road, Cochin – 682036.
10.	Application under the Delhi Shops and Commercial Establishment Act, 1954 for premises at Property No. 81, Riddhi Siddhi Complex, Office No. 201, 2 nd Floor, Vikas Marg Laxmi Nagar, Delhi – 110 092.
11.	Application under the Uttar Pradesh Shops and Commercial Establishment Act, 1962 for premises at 3 rd M-30-B, 1 ST Floor, Nehru Nagar, Ghaziabad, Uttar Pradesh.
12.	Application under the Uttar Pradesh Shops and Commercial Establishment Act, 1962 for premises at Off: Plot No. 355, Behind NRL Petrol Pump, Patel Seva Nagar, Agam Kuan Patna – 800 026.
13.	Application under the Uttarakhand Shops and Commercial Establishment Act, 1962 for premises at Opposite Kanta Petrol Pump, Transport Nagar Chauraha, Rampur Road, Nainital, Uttarakhand – 263139.
14.	Application under the Telangana Shops and Commercial Establishment Act, 1988 for premises at Plot No. 54, DLR Enclave, Sainikrupa, Secundrabad, 500094.
15.	Application under the Madhya Pradesh Shops and Commercial Establishment Act, 1958 for premises at JDA Scheme No. 9, Plot No. 319, Shanti Nagar, Damohnaka, Jabalpur, M.P.
16.	Application under the Chattisgarh Shops and Commercial Establishment Act, 1958 for premises at 21 Ravi Nagar Raipur (C.G.).
17.	Application under the Rajasthan Shops and Commercial Establishment Act, 1958 for premises at B-142, Road No. 9D, VKI Area, Jaipur – 302 013.
18.	Application under the West Bengal Shops and Commercial Establishment Act, 1963 for premises at 12-10, Ground Floor, Premises No. 112, Ashokega.
19.	Application under the Jharkhand Shops and Commercial Establishment Act, 1953 for premises at Plot No. 719/A, Khatta No. 11, Tel Mill Lane, Piska.
20.	Application under the Jharkhand Shops and Commercial Establishment Act, 1953 for premises at Plot No. 718/B, Khatta No. 11, Village Mehal, PS-S.
21.	Application under the Punjab Shops and Commercial Establishment Act, 1958 for premises at 1 st Floor 49, Pratap Nagar, DLF Colony, Rohtak, Haryana 124001.
22.	Application under the Punjab Shops and Commercial Establishment Act, 1958 for premises at Plot No. 6, First Floor, Jangra Complex, Near Choice Resorts, Chandigarh Ambala Highway, derabassi, SAS Nagar Mohali, Zirakpur.

SECTION IX – OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board of Directors have vide resolution dated February 05, 2019 authorized the Issue, subject to the approval by the shareholders of our Company under Section 62(1)(C) of the Companies Act, 2013.

The shareholders have authorized the Issue, by passing a Special Resolution at the Extra-ordinary General Meeting held with a shorter notice on February 06, 2019 in accordance with the provisions of Section 62 (1) (C) of the Companies Act, 2013.

The Company has obtained In-principle approval from NSE vide letter dated [●] to use the name of NSE in the Offer Document for listing of equity shares on the SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE. NSE is the designated stock exchange.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, Promoter Group and our Directors are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any other securities market regulator or any Governmental authority in any other jurisdiction or any other authority/court.

The listing of any securities of our Company has never been refused at any time by any of the Stock Exchange in India.

Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 (“SBO Rules”), to the extent applicable, as on the date of this Draft Red Herring Prospectus.

Further, in view of the General Circular No. 07/2018 dated September 06, 2018 and General Circular No. 08/2018 dated September 10, 2018 issued by the Ministry of Corporate Affairs, Government of India (“MCA”), our Company, our Promoters and our Promoter Group will ensure compliance with the SBO Rules, upon notification of the relevant forms, as may be applicable to them.

Directors associated with the Securities Market

None of our Directors are, in any manner, associated with the securities market and there has been no action initiated by SEBI against the Directors of our Company in the five years preceding the date of this Draft Red Herring Prospectus.

Prohibition with respect to wilful defaulters

Neither our Company, nor our Promoter or Directors have been identified as a wilful defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with the Regulation 229 (2) of Chapter IX of the SEBI (ICDR) Regulations, 2009, whereby, an issuer whose post issue paid-up capital is more than ten crore rupees and upto twenty five crore rupees. Our Company shall issue shares to the public and has proposed to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE).

As per Regulation 229 (3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of NSE EMERGE in accordance with the Restated Standalone Financial Statements, prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations as below:

- Our Company was incorporated on September 11, 1985, with the Registrar of Companies, Mumbai under the Companies Act, 1956 in India.

- The Post-Issue paid up capital of the Company shall not be more than ₹ 25 Crores. The post Issue capital of our Company is ₹ 2,053.80 lakhs (20.54 Crores).
- Our Company has a track record of three years as on date of filing of this Draft Red Herring Prospectus.
- Our Company has positive cash accruals (Earnings before depreciation and tax) from operations for at least 2 (two) financial years preceding the date of filing of this Draft Red Herring Prospectus and the net worth of our Company is positive as per the latest audited financial statements.
- Our Company has not been referred to Board for Industrial and Financial Reconstruction (BIFR).
- No petition for winding up is admitted by a Court of competent jurisdiction against our Company.
- No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the applicant company.
- Our Company has a website: www.jskindia.com

Our Company's net worth and cash accruals from operations (earnings before depreciation and tax), based on the Restated Financial Statements included in this Draft Red Herring Prospectus as at, and for the last three Fiscals ended March 31, 2018, 2017 and 2016 and for the six month period ended September 30, 2018 are set forth below:

Particulars	(₹ in lakhs)			
	September 30, 2018	FY 2018	FY 2017	FY 2016
Net Worth, as Restated ⁽¹⁾	9,417.14	8,118.94	4,842.84	2,186.35
Cash Accruals ⁽²⁾	2,135.52	4,451.06	3,296.49	1,440.27

⁽¹⁾ 'Net worth' means the aggregate of paid up equity capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the statement of profit and loss account, if any.

⁽²⁾ "Cash accruals" has been defined as the Earnings before depreciation and tax from operations

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- The Draft Red Herring Prospectus has been filed with NSE and our Company has made an application to NSE for listing of its Equity Shares on the NSE EMERGE platform. NSE is the Designated Stock Exchange.
- Our Company has entered into an agreement dated February 08, 2019 with NSDL and agreement dated February 12, 2019 with CDSL for dematerialisation of its Equity Shares already issued and proposed to be issued.
- The entire pre-Issue capital of our Company has shares fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO will be fully paid-up.
- The entire Equity Shares held by the Promoters will be in dematerialised form before opening of the Issue for subscription.
- Our Company has made firm arrangements of finance through verifiable means towards seventy five per cent of the stated means of finance for funding from the issue proceeds, excluding the amount to be raised through the proposed public offer or through existing identifiable internal accruals. For details, please refer the chapter "Objects of the Issue" on page no. 67 of this Draft Red Herring Prospectus.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 228 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

- (a) Neither our Company nor our Promoter, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.
- (b) None of our Promoter or Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.
- (c) Neither our Company nor our Promoters or Directors is a wilful defaulter.
- (d) None of our Promoters or Directors is a fugitive economic offender.

We further confirm that we shall be complying with all other requirements as laid down for such Issue under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

Further, in accordance with Regulation 268 (1) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

DISCLAIMER CLAUSE OF 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 BRLM, ARYAMAN FINANCIAL SERVICES LIMITED HAS 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, 2018. 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 BRLM IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLM HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [●] IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018

AS PER REGULATION 246 OF THE SEBI ICDR REGULATIONS, ONLY THE RED HERRING PROSPECTUS AND THE PROSPECTUS HAS TO BE FILED WITH SEBI ALONGWITH A DUE DILIGENCE CERTIFICATE AS PER FORM A OF SCHEDULE V OF THE SEBI ICDR REGULATIONS BY THE BRLM. ACCORDINGLY, THIS SECTION WILL BE UPDATED AT THE TIME OF FILING THE RED HERRING PROSPECTUS AND PRSOPPECTUS WITH STOCK EXCHANGE AND ROC ALONG WITH THE DUE DILIGENCE CERTIFICATE AS PER SCHEDULE V OF THE SEBI ICDR REGULATIONS WITH SEBI.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER 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 BRLM, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the 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, 28, 30 and 32 of the Companies Act, 2013.

Disclaimer from our Company and the BRLM

Our Company, the Directors and the BRLM 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.jskmarketing.com or the respective websites of our Promoter Group or Group Companies, would be doing so at his or her own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered into between the Underwriter and our Company.

All information shall be made available by our Company and the BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding centres or elsewhere.

None among our Company 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, Underwriter and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire 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, Underwriter and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLM and their respective associates and affiliates may engage in transactions with, and perform services for, our Company and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

Any dispute arising out of the Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

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), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) permitted Non-Residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Issue in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Issue will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Issue, which comprises the Red Herring Prospectus and the preliminary international wrap for the Issue, if the recipient is outside India. **No person outside India is eligible to bid for Equity Shares in the Issue unless that person has received the preliminary offering memorandum for the Issue, which contains the selling restrictions for the Issue outside India.**

The Equity Shares offered in the Issue have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold to persons outside of India except in compliance with the

applicable laws of each such jurisdiction. In particular, the Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or the laws of any state of the United States and may not be offered or sold in the United States (as defined in Regulation S under the U.S. Securities Act (“Regulation S”)) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only outside the United States pursuant to Regulation S under the Securities Act.

Each purchaser of the Equity Shares in the Issue in India shall be deemed to:

- Represent and warrant to our Company, the BRLM and the Syndicate Members that it was outside the United States (as defined in Regulation S) at the time the Issue of the Equity Shares was made to it and it was outside the United States (as defined in Regulation S) when its buy order for the Equity Shares was originated.
- Represent and warrant to our Company, the BRLM and the Syndicate Members that it did not purchase the Equity Shares as result of any “directed selling efforts” (as defined in Regulation S of the Securities Act).
- Represent and warrant to our Company, the BRLM and the Syndicate Members that it bought the Equity Shares for investment purposes and not with a view to the distribution thereof. If in the future it decides to re-sell or otherwise transfer any of the Equity Shares, it agrees that it will not offer, sell or otherwise transfer the Equity Shares except in a transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration under the U.S. Securities Act.
- Represent and warrant to our Company, the BRLM and the Syndicate Members that if it acquired any of the Equity Shares as fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and that it has full power to make the foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.
- Represents and warrant to our Company, the BRLM and the Syndicate Members that if it acquired any of the Equity Shares for one or more managed accounts, that it was authorized in writing by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to “it” to include such accounts.
- Agree to indemnify and hold the Company, the BRLM and the Syndicate Members harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.
- Acknowledge that our Company, the BRLM, the Syndicate Members and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

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 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.

Listing

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. NSE is 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 and the Selling Shareholder will forthwith repay without interest, all monies 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 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.

Consents

Consents in writing of our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, the Statutory Auditors, Banker(s) to the Company; and (b) the Book Running Lead Manager, Syndicate Members, Banker to the Issue, Registrar to the Issue, IRR Advisory, and the Legal Advisor to the Issue, to act in their respective capacities, have been obtained and shall be filed along with a copy of the Red Herring Prospectus with the RoC, as required under Section 32 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, M/s. JPL & Associates, Chartered Accountants, Statutory Auditor have provided their written consent to the inclusion of their reports dated September 20, 2017 on Restated Financial Statements and September 20, 2017 on Statement of Tax Benefits, respectively, which may be available to the Company and its shareholder, included in this Draft Red Herring Prospectus in the form and context in which they appear therein and such consents and reports will not be withdrawn up to the time of filing of the Red Herring Prospectus with the RoC.

Expert Opinion

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

Our Company has received written consent from the Statutory Auditors namely, M/s. SSRV & Associates, Chartered Accountants, to include their name as expert 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 Companies Act, 2013 in relation to the reports on the Restated Financial Statements dated February 12, 2019 and the report on the Statement of Tax Benefits dated February 12, 2019 issued by them, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

As the Equity Shares in the Issue will not be registered under the Securities Act, any references to the term "expert" herein and the Auditors consent to be named as an "expert" to the Issue are not in the context of a registered offering of securities under the Securities Act.

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not made any public or rights issues to the public during the five years preceding the date of this Draft Red Herring Prospectus.

Commission or Brokerage paid on previous issues during the last five years

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 in the five years preceding the date of this Draft Red Herring Prospectus..

Capital issue during the previous three years by our Company and the listed Group Company and the Subsidiaries of our Company

Our Company has not undertaken a capital issue to the public in the last three years preceding the date of this Draft Red Herring Prospectus.

None of our Subsidiaries or our Group Company are listed on any stock exchange.

Performance vis-à-vis objects – Public/ rights issue of our Company

Our Company has not undertaken any public or rights issue to the public in the five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Public/ rights issue of the listed Subsidiaries / Promoters of our Company

None of our Subsidiaries are listed on any stock exchange. Further, we do not have a Corporate Promoter.

Price information of past issues handled by the BRLM (during the current financial year and two financial years preceding the current financial year)

- Price information of the past ten (10) issues (during current financial year and two financial years preceding the current financial year) handled by Aryaman Financial Services Limited

Sr. No.	Issue Name	Issue size (₹ Cr.)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing	
1	DRS Dilip Roadlines Limited	31.50	75.00	10/12/2018	75.15	1.33%	3.50%	N. A.	N. A.	N. A.	N. A.
2	Roni Households Limited	3.00	20.00	03/12/2018	20.05	25.00%	-0.96%	N. A.	N. A.	N. A.	N. A.
3	Marine Electricals India Limited	42.87	66.00	11/10/2018	66.60	21.21%	3.43%	24.17%	6.06%	N. A.	N. A.
4	Silgo Retail Limited	4.88	36.00	10/10/2018	36.45	0.00%	1.20%	0.00%	3.27%	N. A.	N. A.
5	Sky Gold Limited	25.56	180.00	03/10/2018	180.45	2.22%	-2.68%	0.58%	0.78%	N. A.	N. A.
6	Saketh Exim Limited	9.44	69.00	13/08/2018	69.30	0.00%	0.12%	3.48%	-6.79%	18.84%	-3.63%
7	Supershakti Metaliks Limited	60.01	375.00	30/07/2018	377.10	12.00%	3.28%	9.73%	-11.06%	8.00%	-3.92%
8	Ambani Organics Limited	9.03	66.00	18/07/2018	66.65	0.30%	4.47%	0.15%	-3.60%	0.76%	-2.21%
9	Jakharia Fabric Limited	19.66	180.00	11/07/2018	181.35	5.56%	4.40%	0.00%	-5.91%	0.56%	-1.61%
10	Garv Industries Limited	3.20	10.00	25/04/2018	10.00	-10.00%	1.23%	-10.60%	6.74%	-22.00%	-1.06%

- Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Aryaman Financial Services Limited

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPOs trading at discount - 30 th calendar day from listing day			Nos. of IPOs trading at premium - 30 th calendar day from listing day			Nos. of IPOs trading at discount - 180 th calendar day from listing day			Nos. of IPOs trading at premium - 180 th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2018-19 ⁽¹⁾	13 ⁽²⁾	324.54	0	0	1	0	1	9	0	0	2	0	0	6
2017-18	16	318.24	1	1	4	1	1	8	3	3	3	0	0	6
2016-17	10	147.26	0	1	0	1	0	8	0	1	0	2	3	4
2015-16	3	15.90	0	0	0	0	0	3	0	0	0	1	1	1

⁽¹⁾ Details indicated in 2018-19 are for the IPOs completed as on date.

⁽²⁾ As on the 30th Calendar day from the listing day, the price of Saketh Exim Limited and Silgo Retail Limited is exactly equal to its Issue Price and hence it is neither trading at Premium or Discount

Notes:

- a) *Since the listing date of DRS Dilip Roadlines Limited, and Roni Households Limited, was December 10, 2018 and December 03, 2018, respectively, information related to closing price and benchmark index as on the 90th Calendar day and 180th Calendar day from the listing date is not available.*
- b) *Since the listing date of Marine Electricals India Limited, Silgo Retail Limited and Sky Gold Limited was October 11, 2018, October 10, 2018 and October 03, 2018, respectively, information related to closing price and benchmark index as on the 180th Calendar day from the listing date is not available.*
- c) *The respective Designated Stock Exchange for each Issue has been considered as the Benchmark index for each of the above Issues.*
- d) *In the event any day falls on a holiday, the price/index of the immediate preceding working day has been considered. If the stock was not traded on the said calendar days from the date of listing, the share price is taken of the immediately preceding trading day.*
- e) *Source: www.bseindia.com and www.nseindia.com BSE Sensex and Nifty Fifty as the Benchmark Indices.*

Track record of past issues handled by the BRLM

For details regarding the track record of the BRLM to the Issue as specified in Circular reference CIR/MIRSD/1/ 2012 dated January 10, 2012 issued by the SEBI, please see the website of the BRLM, i.e. Aryaman Financial Services Limited at www.afsl.co.in

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 and accordingly, no stock market data is available for the Equity Shares.

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 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 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.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip 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 BRLM 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 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 shall obtain authentication on the SCORES and comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 in relation to redressal of investor grievances through SCORES.

Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus.

Further, no investor complaint in relation to our Company is pending as on the date of this Draft Red Herring Prospectus.

Our Group Company and our Subsidiaries are not listed on any stock exchange.

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 Ms. Anupkumari Shukla as the Company Secretary of our Company, as the Compliance Officer for the Issue. For details, please see the section entitled “*General Information*” on page no. 50 of this Draft Red Herring Prospectus.

Our Company has also constituted a Stakeholders’ Relationship Committee to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares. For further details, please refer the chapter titled “*Our Management*” beginning on page no. 128 of this Draft Red Herring Prospectus.

SECTION X – ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being Allotted pursuant to this Issue shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SEBI Listing Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association, the terms of the Draft Red Herring Prospectus, Red Herring Prospectus, the Prospectus, the Abridged Prospectus, Bid cum Application Form, any Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice 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(s), 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 Exchange(s), the RoC and/or any other authorities while granting its approval for the Issue.

The Equity Shares being allotted pursuant to the Issue 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, see “*Main Provisions of Articles of Association*” beginning on page no. 244 of this Draft Red Herring Prospectus.

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 Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM, and advertised in all editions of [●] an English national daily newspaper, all editions of [●] (a widely circulated Hindi national daily newspaper and Mumbai edition of Marathi daily newspaper, [●] (Marathi being the regional language of Maharashtra, where our registered office is located) each with wide circulation, at least two 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 respective 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.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our 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 and e-voting, 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 of the Equity Shares, 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, and our Memorandum of Association and Articles of Association.

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 or splitting, see “*Main Provisions of Articles of Association*” beginning on page no. 244 of this Draft Red Herring Prospectus.

Market Lot and Trading Lot

Trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by NSE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Share subject to a minimum allotment of [●] Equity Shares to the successful Bidders.

Minimum Number of Allottees

In accordance with Regulation 268 (1) of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within eight (8) Working days of closure of Issue.

Joint Holders

Where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Nomination facility to investors

In accordance with Section 72 (1) & 72 (2) of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 (3) of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance to Section 72 (4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- ✓ to register himself or herself as the holder of the Equity Shares; or
- ✓ to make such transfer of the Equity Shares, as the deceased holder could have made

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

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 Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

Withdrawal of the Issue

Our Company in consultation with the BRLM, reserve the right not to proceed with the Issue after the Bid/ Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre- Issue advertisements were published, within two days of the Bid/ Issue Closing Date or such other

time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The BRLM, 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 the 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 in consultation with the Book Running Lead Managers withdraw the Issue after the Bid/ Issue Closing Date and thereafter determine that they will proceed with public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

Bid/Issue Program

BID / ISSUE OPENS ON	[●]
BID / ISSUE CLOSES ON	[●]

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	[●]
Initiation of Refunds / unblocking of funds from ASBA Account	[●]
Credit of Equity Shares to demat account of the Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchanges	[●]

The above timetable is indicative and does not constitute any obligation on our Company or the BRLM. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within 6 Working Days of the Bid / Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid / Issue Period by our Company, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

Bids and any revision in Bids will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Bidding Period at the Bidding centers mentioned in the Bid-cum-Application Form or, in case of Bids submitted through ASBA, at the Designated Branches (a list of such branches is available at the website of the SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>) or with the members of the Syndicate at the Specified Locations or with the Registered Brokers at the Broker Centers (a list of such Broker Centers is available at the websites of the Stock Exchanges), as the case may be. On the Bid/Issue Closing Date (which for QIBs will be a day prior to the Bid / Issue Closing Date for other non-QIB Bidders), Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders; and until (ii) 5.00 p.m. or such extended time as may be permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders, after taking into account the total number of applications received up to the closure of timings and reported by BRLM to the Stock Exchanges. It is clarified that Bids not uploaded on the electronic bidding system would be rejected.

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.

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 BRLM, reserve the right to revise the Price Band during the Bid/ Issue Period. 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. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid / Issue Period for a minimum of three Working Days, 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 websites of the BRLM and at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries.

Minimum Subscription

The requirement for 90% minimum subscription is not applicable to Issues under chapter IX of the SEBI ICDR Regulations.

As per Section 39 (1) of the Companies Act, 2013, if the minimum stated amount has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Red Herring Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the offer through the offer including devolvement of Underwriters, if any, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight (8) working days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI ICDR Regulations, the Companies Act 2013 and applicable law.

In accordance with Regulation 260 (1) of the SEBI ICDR Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the Issue through the Red Herring Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000/- (Rupees One Lakh) per application.

Arrangements for Disposal of Odd Lots

The trading of the Equity Shares will happen in the minimum contract size of [●] shares. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the EMERGE platform of NSE.

Restrictions, if any on Transfer and Transmission of Equity Shares

The lock-in of the pre- Issue capital of our Company as provided in “*Capital Structure*” beginning on page no. 58 of this Draft Red Herring Prospectus and except as provided in our 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*” beginning on page no. 244 of this Draft Red Herring Prospectus.

New Financial Instruments

As on the date of this Draft Red Herring Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoter, to acquire or receive any Equity Shares after the Issue.

Allotment only in Dematerialised Form

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, 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 dematerialized form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

- 1) Tripartite agreement dated February 08, 2019 between our Company, NSDL and the Registrar and Share Transfer Agent to the Issue.
- 2) Tripartite agreement dated February 12, 2019 between our Company, CDSL and the Registrar and Share Transfer Agent to the Issue.

The Company's shares bear ISIN INE05GX01017.

Migration to Main Board

In accordance with the NSE Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the NSE EMERGE for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the NSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter XB of the SEBI (ICDR) Regulation, 2009, our Company may migrate to the main board of NSE from the NSE EMERGE on a later date subject to the following:

- If the Paid up Capital of the Company is likely to increase above A 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the Company has obtained in-principal approval from the main board), we shall have to apply to NSE for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.
- If the Paid up Capital of the Company is more than A 10 crores but below A 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Market Making

The shares issued through this Issue are proposed to be listed on the NSE EMERGE with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on NSE EMERGE. For further details of the market making arrangement please refer the chapter titled "*General Information*" beginning on page no. 50 of this Draft Red Herring Prospectus.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (2) of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, a Company whose post Issue face value capital exceeds ten crore rupees but does not exceed twenty five crores, shall Issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the EMERGE Platform of NSE). For further details regarding the salient features and terms of such this Issue, please refer the chapters titled "*Terms of the Issue*" and "*Issue Procedure*" beginning on page nos. 217 and 225 respectively, of this Draft Red Herring Prospectus.

Issue Structure

Public Issue of upto 56,04,000 Equity Shares for cash at price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating to ₹ [●] lakhs. The Issue comprises a reservation of upto 2,88,000 Equity Shares of ₹ 10 each for subscription by the designated Market Maker ("the Market Maker Reservation Portion") and a Net Issue to the public of upto 53,16,000 Equity shares of ₹ 10 each (the "Net Issue"). The Issue and Net Issue will constitute 27.29% and 25.88% of the post-Issue paid-up Equity Share capital of our Company.

The face value of the Equity Shares is ₹ 10 each. The Issue is being made through the Book Building Process.

Particulars	Market Maker Portion	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment / allocation ⁽¹⁾	Up to 2,88,000 Equity Shares	Not more than [●] Equity Shares	Not less than [●] Equity Shares or Net Issue size less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] Equity Shares or Net Issue size less allocation to QIB Bidders and Non Institutional Bidders
Percentage of Issue size available for Allotment / allocation	Upto 5.14% of Issue Size	Not more than [●]% of the Net Issue shall be available for allocation to QIBs. 5% of the QIB Category shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5% Mutual Fund Portion will also be eligible for allocation in the remaining QIB Category. The unsubscribed portion in the Mutual Fund reservation will be available to QIBs.	Not less than [●]% of the Issue or Issue less allocation to QIBs Bidders and Retail Individual Bidders	Not less than [●]% of the Issue or Issue less allocation to QIBs Bidders and Non-Institutional Bidders
Basis of Allotment / allocation if respective category is oversubscribed	Firm Allotment	Proportionate as follows: a) [●] 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 allocation as per (a) above.	Proportionate subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares each.	Proportionate subject to minimum Bid Lot, For further details, see " <i>Basis of Allotment – Issue Procedure</i> " on page no. 225 of this Draft Red Herring Prospectus.
Minimum Bid	Up to 2,88,000 Equity Shares	Such number of Equity Shares that the Bid Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares	Such number of Equity Shares that the Bid Amount exceeds ₹ 2,00,000 and in multiples of [●]	[●] Equity Shares.

		thereafter.	Equity Shares thereafter.	
Maximum Bid	Up to 2,88,000 Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Net Issue size, subject to applicable limits.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Net Issue size, subject to applicable limits.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000.
Mode of Allotment	Compulsorily in dematerialised form.			
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.			
Allotment Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.			
Trading Lot / Market Lot	[●] Equity Shares. However the Market Maker may buy odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.	[●] Equity Shares	[●] Equity Shares	[●] Equity Shares
Who can Apply ⁽²⁾	Market Maker	Public financial institutions as specified in Section 2 (72) of the Companies Act, 2013, scheduled commercial banks, Mutual Funds, FPIs other than Category III FPIs, VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹250 million, pension funds with minimum corpus of ₹250 million, National Investment Fund set up by the Government of India, the insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important Non-Banking Financial Companies.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the Karta), companies, corporate bodies, scientific institutions societies and trusts, Category III FPIs	Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs.
Terms of Payment ⁽³⁾	Full Bid Amount shall be payable at the time of submission of the Bid cum Application Form.			
Mode of Bidding	Only through the ASBA process.			

⁽¹⁾ Applicants Subject to valid Bids being received at or above the Issue Price. In terms of Rule 19(2)(b)(i) of the SCRR, this is an Issue for atleast 25% of the post- issue paid-up equity share capital of our Company. In the event of over-subscription, Allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price. In the event of under-subscription, if any, in any category except QIB 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 BRLM and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

⁽²⁾ In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.

⁽³⁾ In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the ASBA Bidder that are specified in the Bid cum Application Form. SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.

Lot Size

SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the “Circular”) standardized the lot size for Initial Public Offer proposing to list on SME exchange/platform and for the secondary market trading on such exchange/platform, as under:

Issue Price (in ₹)	Lot Size (No. of shares)
Up to 14	10,000
More than 14 up to 18	8,000
More than 18 up to 25	6,000
More than 25 up to 35	4,000
More than 35 up to 50	3,000
More than 50 up to 70	2,000
More than 70 up to 90	1,600
More than 90 up to 120	1,200
More than 120 up to 150	1,000
More than 150 up to 180	800
More than 180 up to 250	600
More than 250 up to 350	400
More than 350 up to 500	300
More than 500 up to 600	240
More than 600 up to 750	200
More than 750 up to 1,000	160
Above 1,000	100

Further to the circular, at the Initial Public Offer stage the Registrar to Issue in consultation with Book Running Lead Manager, our Company and NSE shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the IPO Lot Size at the application/allotment stage, facilitating secondary market trading. At the Initial Public Offering stage if the price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into. For example: if the proposed price band is at 24-28 than the Lot size shall be 4,000 shares.

ISSUE PROCEDURE

All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI and updated pursuant to the circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 (the “**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 is available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment Instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (vi) price discovery and allocation; (vii) general instructions (limited to instructions for completing the Bid cum Application Form); (viii) designated date; (ix) disposal of applications; (x) submission of Bid cum Application Form; (xi) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xii) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xiii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.

Bidders are required to submit Bids to the Selected Branches / Offices of the RTAs, DPs, Designated Bank Branches of SCSBs or to the Syndicate Members. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Bid cum Application Form, please refer the above mentioned SEBI link. The list of Stock Brokers, Depository Participants (DP), Registrar to an Issue and Share Transfer Agent (RTA) that have been notified by NSE to act as intermediaries for submitting Bid cum Application Forms are provided on www.nseindia.com/emerge. For details on their designated branches for submitting Bid cum Application Forms, please see the above mentioned website of NSE.

Our Company and the BRLM 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, the Red Herring Prospectus and the Prospectus.

Book Building Procedure

The Issue is being made through the Book Building Process, in compliance with Regulation 229 (2) of the SEBI ICDR Regulations, wherein where in not more than [●]% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers (“QIBs”) (“QIB Portion”), 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than [●]% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than [●]% of the 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. All potential investors are required to mandatorily use the Application Supported by Blocked. Amount (“ASBA”) process providing details of the irrespective bank accounts which will be blocked by the Self Certified Syndicate Banks (“SCSBs”).

Under-subscription, if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that according to section 29 (1) of the Companies Act, 2013, allotment of Equity Shares to all successful Bidders will only be in the dematerialised form. The Bid cum Application Forms which do not

have the details of the Bidder’s depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Bid cum Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the bid is liable to be rejected. Bidders will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Phased implementation of Unified Payments Interface

SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries will be made effective along with the existing process and existing timeline of T+6 days. The same will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase I”). Thereafter, for application by RIBs through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds will be discontinued and only the UPI Mechanism with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs (“UPI Phase III”), as may be prescribed by SEBI. This Offer will be under UPI Phase [●].

This Issue may be amongst one of the few initial public offerings in which the UPI Mechanism for application by Retail Individual Bidders is being permitted, the Company and the BRLM are not liable for any adverse occurrence’s consequent to the implementation of the UPI Mechanism for application in this Issue.

Retail Individual Bidders making application using UPI shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application in the Issue. The SCSBs upon receipt of the Bid cum Application Form will upload the Bid details along with the UPI ID in the bidding platform of the Stock Exchanges. Applications made by the Retail Individual Bidders using third party bank account or using UPI Ids linked to the bank accounts of any third parties are liable for rejection. Bankers to the Issue shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. Post uploading the Bid details in the bidding platform, the Stock Exchanges will validate the PAN and demat account details of Retail Individual Bidders with the Depositories.

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 Office. An electronic copy of the ASBA Form will also be available for download on the websites of NSE (www.nseindia.com) at least one day prior to the Bid/Issue Opening Date.

All Bidders 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.

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.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour ⁽¹⁾
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis	Blue

⁽¹⁾ excluding electronic Bid cum Application Form

Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms to the respective SCSB, where the Bidder has a bank account, 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.

Who can Bid?

Each Bidder should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

1. Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors through natural/legal guardian;
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidders should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Bids by HUFs would be considered at par with those from individuals;
3. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
6. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
7. FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
9. State Industrial Development Corporations;
10. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
11. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
12. Insurance Companies registered with IRDA;
13. Provident Funds and Pension Funds with minimum corpus of ₹ 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
14. Multilateral and Bilateral Development Financial Institutions;
15. National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
16. Insurance funds set up and managed by army, navy or air force of the Union of India or by Department of Posts, India;
17. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

In addition to the category of Bidders set forth *above*, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

1. FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
2. Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;
3. Scientific and / or industrial research organizations authorized in India to invest in the Equity Shares.

Maximum and Minimum Application Size

(a) For Retail Individual Bidders

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 Bidder does not exceed ₹ 2,00,000. In case of revision of Bid, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed ₹ 2,00,000.

(b) For Non-Retail Bidders (Non-Institutional Bidders and QIBs):

The Bid cum Application must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. A QIB and a Non-Institutional Bidder cannot withdraw or lower the size of their Bid at any stage and are required to pay the entire Bid Amount upon submission of the Bid. The identity of QIBs applying in the Net issue shall not be made public during the Issue Period. In case of revision in Bid, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Method and Process of Bidding

- a) Our Company in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in all editions of [●] (English language), all editions of [●] (Hindi language) and regional language newspaper being [●], each with wide circulation at least two Working Days prior to the Bid/ Issue Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid/ Issue Period.
- b) The Bid/ Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in all editions of [●] (English language), all editions of [●] (Hindi language) and regional language newspaper being [●], each with wide circulation and also by indicating the change on the websites of the BRLM.
- c) During the Bid/ Issue Period, Retail Individual Bidders, should approach the BRLM or their authorised agents to register their Bids. The BRLM shall accept Bids from all non-ASBA Bidders and from the ASBA Bidders in Specified Cities and it shall have the right to vet the Bids during the Bid/ Issue Period in accordance with the terms of the Red Herring Prospectus. ASBA Bidders should approach the Designated Branches or the BRLM (for the Bids to be submitted in the Specified Cities) to register their Bids.
- d) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled “*Bids at Different Price Levels and Revision of Bids*” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Offer Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- e) The Bidder cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of

Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “*Build-up of the Book and Revision of Bids*”.

- f) The BRLM/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.
- g) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges.
- h) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges.
- i) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- j) The Bid Amount shall 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/failure of the Issue or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Bids at Different Price Levels and Revision of Bids

- a) Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b) Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form for the Bid Amount based on the Cap Price with the Syndicate and shall instruct the SCSBs to block an amount based on the Cap Price.

Participation by the BRLM and the Syndicate Members

The BRLM 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 BRLM 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 BRLM and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

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 reserve 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 Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. 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 a repatriation basis are advised to use the Bid cum Application Form meant for Non Residents (blue in colour). Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents. (white in colour).

Bids by HUFs

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;

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 shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. In case the total holding of an FPI increases beyond 10% of the total paid-up equity capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board 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.

By a resolution of our Board dated November 23, 2018 and a resolution of our Shareholders dated November 27, 2018, our Company has increased the aggregate limits of its shareholding by FPIs to 100%. We have intimated the increase of these limits to the RBI.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue, 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, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

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.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations *inter-alia* prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI.

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.

All non-resident investors should note that refunds (unblocking), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

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 in consultation with the BRLM 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 BRLM reserve 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 Master Direction (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank'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 SCSBs

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars (Nos. 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 applications.

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 in consultation with the BRLM reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016, as amended ("**IRDAI Investment Regulations**"), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them.

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 BRLM 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, 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 in consultation with the BRLM 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 BRLM in their 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 registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, are required to be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof. Systematically Important NBFCs participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this 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 Red Herring Prospectus and the Prospectus.

Electronic Registration of Bids

- a) The Designated Intermediaries may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Issue.
- b) On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges.
- c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/ Allotment. The Designated Intermediaries are given till 1.00 p.m. on the day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

Build up of the Book

- a) Bids received from various Bidders 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 BRLM at the end of the Bid/ Issue Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/ Issue Period.

Withdrawal of Bids

- a) RIIs can withdraw their Bids until Bid/ Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

Price Discovery and Allocation

- a) Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalise the Issue Price.
- b) The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the

percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.

- c) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- d) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.
- e) In case if the Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.

Signing of the Underwriting Agreement and the RoC Filing

- a) Our Company and Underwriter have entered into an Underwriting agreement dated February 07, 2019.
- b) A copy of the Red Herring Prospectus and Prospectus will be registered with the RoC in terms of Section 32 and 26 of the Companies Act, 2013.

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) all editions of [●], a English national daily newspaper; and (ii) all editions of [●], a Hindi national daily newspaper and Mumbai edition of Marathi daily newspaper, [●] (Marathi being the regional language of Maharashtra, where our registered office is located) 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 X of the SEBI ICDR Regulations.

The above information is given for the benefit of the Bidders/applicants. Our Company and the members of the Syndicate 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.

Issuance of a Confirmation of Allocation Note (“CAN”) and Allotment in the Issue

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

Designated Date and Allotment

- a) **Designated Date:** On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to unblock 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 are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders who have been Allotted Equity Shares in the Issue.

- c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- d) Our Company will ensure that the Allotment and credit to the successful Bidder's depository account will be completed within six Working Days, or such period as may be prescribed by SEBI, of the Bid/ Issue Closing Date or such other period as may be prescribed.
- e) Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.

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. All Bidders should submit their bids through the ASBA process only;
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 an account with an SCSB and 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. 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 request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
11. Ensure that the name(s) given in the Bid cum Application Form is / are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;
12. Instruct your respective banks to release the funds blocked in accordance with the ASBA process;
13. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
14. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, 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 a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in

“active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

All other applications in which PAN is not mentioned will be rejected;

15. Ensure that the Demographic Details are updated, true and correct in all respects;
16. 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;
17. Ensure that the category and the investor status is indicated;
18. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
19. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;
20. Ensure that the Bidder’s 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
21. 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);
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 the Bid cum Application Forms to any non-SCSB bank or our Company;
11. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
12. Do not submit the General Index Register (GIR) number instead of the PAN;
13. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;

14. 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;
15. 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).
16. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
17. Do not Bid on another Bid cum Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries after you have submitted a Bid to the Designated intermediary;
18. Do not Bid for shares more than specified by respective Stock Exchanges for each category;
19. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;
20. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids on or before the Bid/Issue Closing Date; and
21. 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.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-issue or post issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the company secretary and compliance officer. For details of company secretary and compliance officer, see “*General Information*” beginning on page no. 50 of this Draft Red Herring Prospectus.

Submission of Bids

- a) During the Bid/ Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids.
- b) In case of Bidders (excluding NIIs and QIBs) bidding at Cut-off Price, the ASBA Bidders 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 are requested to refer to the Draft Red Herring Prospectus.

Joint Bids

In the case of Joint Bids/Applications, the Bids /Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such First Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such First Bidder/Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder/Applicant whose name appears in the Bid cum Application Form/Application Form or the Revision Form and all communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

Multiple Bids

- a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

- b) Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.
- c) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:
 - i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
 - ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- d) The following Bids may not be treated as multiple Bids:
 - i. Bids by Reserved Categories bidding in their respective Reservation Portion as well as bids made by them in the Net Issue portion in public category.
 - ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
 - iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

Grounds for Technical Rejections

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to the (i) authorised agents of the BRLM, (ii) Registered Brokers, or (iii) SCSBs, or (iv) Collection Bank(s), or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various places in this GID:-

- a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- b) Bids/Applications by OCBs; and
- c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form/Application Form;
- e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- f) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- g) DP ID and Client ID not mentioned in the Bid cum Application Form/Application Form;
- h) PAN not mentioned in the Bid cum Application Form/Application Form except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- i) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;

- j) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- k) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;
- l) Bids/Applications at Cut-off Price by NIIs and QIBs;
- m) Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to Bids/Applications by ASBA Bidders, the amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- n) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- o) In relation to ASBA Bids/Applications, submission of more than five Bid cum Application Forms/Application Form as per ASBA Account;
- p) Bids/Applications for a Bid/Application Amount of more than ₹ 200,000 by RIIs by applying through non-ASBA process;
- q) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;
- r) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;
- s) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/ Issue Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;
- t) With respect to ASBA Bids/Applications, inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/ Application Form at the time of blocking such Bid/Application Amount in the bank account;
- u) Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- v) With respect to ASBA Bids/Applications, where no confirmation is received from SCSB for blocking of funds;
- w) Bids/Applications by QIBs and Non Institutional Bidders not submitted through ASBA process or Bids/Applications by QIBs and Non Institutional Bidders accompanied with cheque(s) or demand draft(s);
- x) ASBA Bids/Applications submitted to a BRLM at locations other than the Specified Cities and Bid cum Application Forms/Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;
- 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.

BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number

of Equity Shares applied for, date of Bid cum Application Form, name and address of the Application Collecting Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Bidders can contact the Compliance Officer or the Registrar in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

Disposal of Applications

Our Company and the Selling Shareholders shall ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within 6 Working Days of the Bid/ Offer Closing Date.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

“Any person who:

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447”*

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Stock Exchanges, along with the BRLM and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Procedure and Time of Schedule for Allotment and Demat Credit

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. **Bidders are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders who have been Allotted Equity Shares in the Issue.

Issuer will ensure that the Allotment of Equity Shares and corporate action for credit of shares to the successful Bidders Depository Account will be completed within 6 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Bidder depository account is completed within one Working Day from the date of Allotment, after the funds are transferred from the Public Issue Account on the Designated Date.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares offered through the Issue through the offer document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the net Issue to public may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Letters of Allotment or Refund Orders or Instructions to the SCSBs

The Registrar to the Issue shall give instructions for credit to the beneficiary account with depository participants within 6 Working Days from the Bid/ Issue Closing Date. the Registrar shall instruct the relevant SCSBs to, on the receipt of such instructions from the Registrar, unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the Bid cum Application Form or the relevant part thereof, for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 6 Working Days of the Bid/ Issue Closing Date.

Mode of Refund

Within 6 Working Days of the Bid/ Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid and also for any excess amount blocked on Bidding.

Interest in Case of Delay in Allotment or Refund

The Issuer shall allot the equity shares offered to the public within the period prescribed by the Board. The Issuer may pay interest at the rate of 15% per annum in case demat credits are not made to Bidders or instructions for unblocking of funds in the ASBA Account are not dispatched within the 6 Working days of the Bid/ Offer Closing Date.

Undertakings by our Company

Our Company undertakes that:

1. Adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders;
2. The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
3. 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 in consultation with the BRLM within such period as may be prescribed under applicable law;
4. If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded / unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law for the delayed period;
5. 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;
6. 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;
7. Compliance with all disclosure and accounting norms as may be specified by SEBI from time to time;
8. 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; and
9. No further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

If our Company does not proceed with the Issue after the Bid/Issue Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the pre- Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly.

Further, if our Company withdraws the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh offer document, in the event our Company subsequently decides to proceed with the Issue;

Utilisation of Net proceeds

Our Board certifies that:

1. All monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-Section (3) of Section 40 of the Companies Act, 2013;
2. 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; and
3. 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 Company specifically confirms and declares that all monies received out of the issue shall be 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.

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 August 28, 2017, with effect from August 28, 2017 (the “FDI Policy”), which 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.

For further details, please refer the chapter “*Issue Procedure*” beginning on page no. 225 of this Draft Red Herring Prospectus.

The Equity Shares offered in the Issue have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States to persons reasonably believed to be “qualified institutional investors” (as defined in Rule 144A under the Securities Act) pursuant to Rule 144A under the Securities Act or other applicable exemption under the Securities Act and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdictions where such offers and sales occur.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are not in violation of laws or regulations applicable to them.

SECTION XI – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Pursuant to the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association are detailed below. Capitalised terms used in this section have the meaning given to them in the Articles of Association.

Each provision below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.

1. The regulations contained in Table 'F' of the First Schedule of the Companies Act, 2013 so far as they are applicable to Public Company limited by shares, shall apply to this Company save in so far as they are expressly or impliedly excluded by the following Articles.

Interpretation

2. In the interpretation of these Articles, unless repugnant to the subject or context:-

- a) "The company" or "this company" means **JSK MARKETING LIMITED**
- b) "The Act" means the Companies Act 2013, or any statutory modification or re- enactment thereof for the time being in force.
- c) "Auditor" means and includes those persons appointed as such for the time being by the Company.
- d) "Board Meeting" means meeting of the Directors duly and constituted or as the case may be, the Directors assembled at a Board.
- e) "Capital" means the share capital for the time being raised or authorized to be raised, for the Company.
- f) "Debenture" includes the Debenture stock.
- g) "Directors" mean the Directors for the time being of the Company of as the case may be the Directors assembled at as Board.
- h) "Dividend" includes bonus.
- i) Gender

Word importing the masculine gender also includes the feminine gender.

- j) In Writing or Written

"In Writing" or "Written" includes printing, lithography and other modes of representing or reproducing words in a visible form.

- k) Member

"Member" means the duly registered holder from time to time of the shares of the Company and includes the subscriber to the Memorandum of the Company.

- l) Meeting or Annual General Meeting

"Annual General Meeting" means a General Meeting of the members duly called and constituted and any adjourned holding thereof in accordance of section 96 of the Act.

- m) Meeting or Extraordinary general meeting

"Extraordinary General Meeting" means Extraordinary General meeting of the Members duly called and constituted and any adjourned holding thereof.

n) Month

“Month” means a calendar month

o) Office

“Office” means the registered office for the time being of the Company.

p) Paid up

“Paid up” includes credited as paid up.

q) *Persons*

“Persons” includes corporation and firms as well as individuals.

r) *Register of members*

“Register of member” means the Register of members to be kept pursuant to the Act.

s) *The Registrar*

“The Registrar” means the Registrar of the Companies (as defined under Section 2(75) of the Act of the state in which the office of the Company is for the time being situated.

t) *Officer*

“Officer” includes any director, manager or secretary, or any person in accordance with whose direction or instruction the board of Director or any or more of the directors is accustomed to act

u) *Seal*

“Seal” means the Common Seal for the time being of the Company.

v) *Share*

“Share” means share in the share capital of a company and includes stock except where a distinction between stock and share is expressed or implied.

w) *Special Resolution*

“Special Resolution” shall have the meaning assigned thereto by section 114 of Companies Act, 2013.

x) *Year and Financial Year.*

“Year” means the calendar year and “financial year” shall have the meaning assigned thereto by section 2(41) of the Act.

Public Company

3. The company is a Public Company within the meaning of section 2(71) of the Companies Act, 2013.

Share capital and variation of rights

4. (i) The Authorized Share Capital of the Company shall be as laid down in Memorandum of Association of the Company.

(ii) Subject to the provisions of the Companies Act 2013 and the applicable Rules made thereunder, the Company / Board shall have power to issue / allot shares, whether on preferential basis or otherwise, from time to time and the

shares shall be under the control of the Directors who may allot or otherwise dispose off the same to such persons, on such terms and conditions and at such times as the Directors think fit.

5. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided:—
 - (a) One certificate for all his shares without payment of any charges; or
 - (b) Several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
- (ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
- (iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
6. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
- (ii) The company may issue new share certificates pursuant to consolidation or sub division of share certificate(s) upon written request received from shareholder together with production and surrender of respective original share certificate(s). Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
- (iii) The provisions of Articles (5) and (6) shall mutatis mutandis apply to debentures of the company.
7. Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
8. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
- (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
- (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
9. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48 and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
- (ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

10. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
11. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

Lien

12. (i) The Company shall have a first and paramount lien—
- (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
 - (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

- (ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
- (iii) The fully paid shares shall be free from all lien and that in the case of partly paid shares the Company's lien shall be restricted to monies called or payable at a fixed time in respect of such shares.

13. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:

Provided that no sale shall be made—

- (a) unless a sum in respect of which the lien exists is presently payable; or
- (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

14. (i) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.
- (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
 - (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
15. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

Calls on shares

16. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

(iii) A call may be revoked or postponed at the discretion of the Board.

(iv) The option or right to make call on shares shall not be given to any person except with the sanction of the Company in General Meetings. That is, it may delegate power to make calls on shares subject to approval of the shareholders in a general meeting of the company.

17. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.

18. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

19. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. Per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

20. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

21. The Board—

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance but shall not confer a right to dividend or to participate in profits.

Transfer of shares

22. (i) The Company shall use a Common form of transfer. The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

23. The Board may, subject to the right of appeal conferred by section 58 decline to register—

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the company has a lien.

24. The Board may decline to recognize any instrument of transfer unless—

(a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of shares.

25. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

26. Subject to the provisions of Section 59 of Companies Act, 2013, the Board may decline to register any transfer of Shares on such grounds as it think fit in the benefit of the company (notwithstanding that the proposed transferee be already a Member), but in such case it shall, within two (2) months from the date the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer giving reasons for such refusal. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.

Transmission of Shares

27. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the company as having any title to his interest in the shares.

(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

28. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—

(a) to be registered himself as holder of the share; or

(b) to make such transfer of the share as the deceased or insolvent member could have made.

(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

29. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

30. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

Forfeiture of Shares

31. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him

requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

32. The notice aforesaid shall—

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) State that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

33. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

34. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

35. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.

(ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

36. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

(ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.

(iii) The transferee shall thereupon be registered as the holder of the share; and

(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

37. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Alteration of Capital

38. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution. The Authorised Share Capital shall be as per the clause V of Memorandum of Association of the company.

39. Subject to the provisions of section 61, the company may, by ordinary resolution,—

(a) increase its authorized share capital by such amount as it thinks expedient.

(b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

- (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

40. Where shares are converted into stock,—

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

41. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—

- (a) its share capital;
- (b) any capital redemption reserve account; or
- (c) any share premium account.

Capitalisation of profits

42. (i) The company in general meeting may, upon the recommendation of the Board resolve—

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the profit and loss account, Securities Premium Accounts or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—

- A. paying up any amounts for the time being unpaid on any shares held by such members respectively;
- B. paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
- C. partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
- D. A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
- E. The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

43. (i) whenever such a resolution as aforesaid shall have been passed, the Board shall—

- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

(b) Generally do all acts and things required to give effect thereto.

(ii) The Board shall have power—

- a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
- b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

Dematerialisation of Securities

44. (i) For the purpose of this Article:-

"Beneficial Owner": Beneficial Owner shall have the meaning assigned thereto in section 2(1)(a) of the Depositories Act, 1996.

"Depositories Act": Depositories Act shall mean the Depositories Act, 1996 and includes any statutory modification or re-enactment thereof for the time being in force.

"Depository": Depository shall mean a Depository as defined in section 2(1)(e) of the Depositories Act, 1996.

"Member": Member shall mean a duly registered holder from time to time of the security of the company and includes every person whose name is entered as beneficial owner in the records of the Depository.

"Security": Security shall mean such security as may be specified by SEBI.

- (ii) "**Dematerialisation of Securities**": Notwithstanding anything on the contrary contained in this Article, the company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form and further to rematerialise the securities held on depository pursuant to the Depositories Act, 1996 or any amendment thereof.
- (iii) "**Option to hold securities in physical form or with depository**": Every person holding securities of the company through allotment or otherwise shall have the option to receive and hold the same in the dematerialised form with a depository.
- (iv) "**Beneficial Owner may opt out of a Depository**": Every person holding securities of the company with a depository, being the beneficial owner thereof, may at any time opt out of the depository in the manner provided under the provisions of the Depositories Act and the Rules, if any, prescribed there under and on fulfilment of the conditions prescribed by the company from time to time, company shall issue the relevant security certificates to the beneficial owner thereof.
- (v) "**Securities in Depositories to be in fungible form**": All securities held by a depository shall be dematerialised and shall be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Companies Act, shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.
- (vi) "**Rights of depository and beneficial owners**": A depository shall be deemed to be the registered owner for the purposes of affecting the transfer of ownership of securities on behalf of the beneficial owners and shall not have any voting rights or any other rights in respect of the securities held by it.
- (vii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of

securities shall be entitled to all rights and benefits and be subject to all the liabilities in respect of his/her securities, which are held by a depository.

- (viii) **"Transfer of securities"**: Transfer of security held in a depository will be governed by the provisions of the Depository Act, 1996. Nothing contained in Section 56 of the Companies Act, 2013 or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
- (ix) **"Register and Index of beneficial owners"**: The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles.
- (x) **"Other matters"**: Notwithstanding anything contained in these Articles, the provision of Depositories Act, 1996 relating to dematerialisation of securities including any modification(s) or re-enactment thereof and Rules/Regulations made there under shall prevail accordingly.
- (xi) Notwithstanding anything contained in the Act or the Articles, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic mode or by delivery of floppies or disks.

Nomination

45. Notwithstanding anything contained in Articles, every holder of shares(s) or debenture(s) of the Company may, at any time, nominate, in the prescribed manner, a person to whom these share(s) shall vest in the event of his death and the provisions of Section 109A and Section 109B of the Companies Act, 1956 shall apply in respect of such nomination.

The provisions of this Article shall apply mutatis mutandis to a depository of money with the Company as per the provisions of the Act.

Buy-Back of Shares

46. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

General Meetings

47. All general meetings other than Annual General Meeting shall be called extraordinary general meeting.
48. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

Proceedings at General Meetings

49. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
50. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
51. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

52. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

Adjournment of Meeting

53. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting Rights

54. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—
- (a) on a show of hands, every member present in person shall have one vote; and
- (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
55. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
56. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
57. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
58. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
59. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
60. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

Proxy

61. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
62. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

63. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Board of Directors

64. The minimum number of Directors shall be 3 and maximum number of directors shall be 15.

The First Directors of the Company are:

I. SHRI. KRISHNA KUMAR JIWARAJKA.

II. SHRI. MAHESH GUPTA.

65. (i) Subject to the provisions of the Act, the Company may pay any remuneration, as determined by the Board of Directors / General Meeting to all or any of its Directors for the services rendered by them / him in day to day management of the affairs of the company or any other type of services, whether professional in nature or not, for any of the purposes of the company, either by a fixed sum on monthly or annual basis and / or perquisites and / or a percentage of the profits or otherwise as may be determined by the Board or the members in General Meeting.

The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

(b) in connection with the business of the company.

66. The Board may pay all expenses incurred in getting up and registering the company.
67. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
68. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
69. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
70. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.
- (ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

Proceedings of the Board

71. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) Subject to the Articles herein, a director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

(iii) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(iv) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

72. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.

73. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

74. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

75. (i) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

76. A committee may elect a Chairperson of its meetings.

77. 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.

78. (i) A committee may meet and adjourn as it thinks fit.

(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

79. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

80. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

81. Subject to the provisions of the Act,—

(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

82. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

Managing Director

- 83.** The business of the Company may be carried on by the Managing Director(s) who may be appointed by the Board of Directors / members in their General Meeting, from time to time who shall fix the terms, qualifications, remuneration, duties, authorities and powers. The Board may from time to time and subject to the provisions of the Act delegate to the Managing Director(s) such of their powers and duties and subject to such limitations and conditions as they may deem fit. The Board may from time to time, revoke, withdraw, alter or vary all or any of the powers conferred on him or dismiss him from office and appoint another in his place.
- 84.** Subject to the provisions of section 179 and 180 of the Companies Act, 2013, the Managing Director of the Company, if any, shall be empowered to carry on the day to day business affairs of the Company. He shall have the general control, management and superintendence of the business of the Company with power to appoint and to dismiss employees and to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts, deeds and things which in the ordinary course of business may be considered necessary/proper or in the interest of the Company.

The Seal

- 85.** (i) The Board shall provide for the safe custody of the seal.
- (ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

Dividends and Reserve

- 86.** The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
- 87.** Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
- 88.** (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.
- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
- 89.** (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
- 90.** 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.

91. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent
92. 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.
93. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
94. No dividend shall bear interest against the company.
95. No unclaimed Dividend shall be forfeited before the claim becomes barred by law, and unclaimed Dividends shall be dealt with in accordance with the applicable provisions of the Act

Accounts

96. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.
- (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

Winding Up

97. If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
98. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
99. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity

100. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

SECTION XII – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by 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 this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Draft 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 Corporate Office between 10 a.m. and 5 p.m. on all Working Days (Monday to Friday) 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

- 1) Memorandum of Understanding dated February 07, 2019 between our Company and the Book Running Lead Manager.
- 2) Memorandum of Understanding dated December 07, 2018 between our Company and the Registrar to the Issue.
- 3) Escrow Agreement dated [●] between our Company, the Book Running Lead Manager, Escrow Collection Bank(s) and the Registrar to the Issue.
- 4) Market Making Agreement dated February 07, 2019 between our Company, the Book Running Lead Manager and Market Maker.
- 5) Syndicate Agreement dated [●] between our Company, the Book Running Lead Manager and the Syndicate Members.
- 6) Underwriting Agreement dated February 07, 2019 between our Company, the Book Running Lead Manager and the Syndicate Members.
- 7) Tripartite agreement between the CDSL, our Company and the Registrar to the Issue dated February 12, 2019.
- 8) Tripartite agreement between the NSDL, our Company and the Registrar to the Issue dated February 08, 2019.

B. Material Documents

- 1) Certified true copies of the updated Memorandum and Articles of Association of our Company, as amended from time to time.
- 2) Copy of Certification of Incorporation dated September 11, 1985, fresh certificate of incorporation dated December 29, 2006 pursuant to change of name and fresh certificate of incorporation dated March 17, 2017 pursuant to the conversion of our Company into a Public Limited Company.
- 3) Resolution of the Board of Directors dated February 05, 2019 in relation to the Issue.
- 4) Resolution of the Shareholders of our Company, passed at the Extra Ordinary General Meeting held with a shorter notice on February 06, 2019 in relation to the Issue.
- 5) Resolution of the Board of Directors of our Company dated February 15, 2019, approving the Draft Red Herring Prospectus.
- 6) Statutory Auditor's report for Restated Financials dated February 12, 2019 included in this Draft Red Herring Prospectus.

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- 7) The Statement of Tax Benefits dated February 12, 2019 from our Statutory Auditors included in this Draft Red Herring Prospectus.
 - 8) Consents of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Banker(s) to the Company⁽¹⁾, Book Running Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Banker to the Issue⁽¹⁾, Syndicate Members⁽¹⁾, Underwriters, Market Maker and IRR Advisory to act in their respective capacities.

⁽¹⁾ The aforesaid will be appointed prior to filing of the Red Herring Prospectus with RoC and their consents as above would be obtained prior to the filing of the Red Herring Prospectus with RoC.
 - 9) Due Diligence Certificate(s) dated [●] to SEBI by the Book Running Lead Manager.
 - 10) Approval from NSE vide letter dated [●] to use the name of NSE in this Offer Document for listing of Equity Shares on the EMERGE Platform of the NSE.

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 relevant statutes.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contract (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

Signed by the Directors of our Company

Kunal Jiwarajka
(Chairman & Managing Director)

Laxmidevi Jiwarajka
(Non – Executive Director)

Sakshi Jiwarajka
(Non – Executive Director)

Parmindersingh Yadav
(Non – Executive Independent Director)

Utpal Desai
(Non – Executive Independent Director)

Signed by the Chief Financial Officer of our Company

Virendra Rai
(Chief Financial Officer)

Signed by the Company Secretary and Compliance Officer of our Company

Anupkumari Shukla
(Company Secretary and Compliance Officer)

Date: February 15, 2019
Place: Mumbai