Red Herring Prospectus
Dated: September 05, 2017
Please read section 32 of the Companies Act, 2013
Book Building Issue

SAGAR DIAMONDS LIMITED

Our Company was originally incorporated as Sagar Diamonds Private Limited on July 15, 2015 at Surat, Gujarat as a private limited company under the Companies Act, 2013 with the Registrar of Companies, Ahmedabad. Pursuant to a special resolution passed by the shareholders of the Company at the Extra Ordinary General Meeting held on June 19, 2017, our Company's name was changed to Sagar Diamonds Limited. A fresh certificate of incorporation consequent upon change of name was issued on July 04, 2017 by the Registrar of Companies, Ahmedabad. The Corporate Identification Number of our Company is U36912GJ2015PLC083846.

Registered Office: Unit No. 101, Plot No. 193, SEZ Diamond Park, Sachin, Surat - 394230, Gujarat, India
Tel.: +91-261 2397866; **Corporate Office:** 304, Prasad Chambers, Opera House, Mumbai - 400004, Maharashtra, India
Website: www.sagardiamonds.com; **E-Mail:** cs@sagardiamonds.com;
Company Secretary and Compliance Officer: Mr. Kaushik H Vegad

PROMOTERS OF THE COMPANY: MR. VAIBHAV DIPAK SHAH AND SG DIAMONDS LLP

PUBLIC ISSUE OF UPTO 33,81,000 EQUITY SHARES OF FACE VALUE OF RS. 10.00 EACH OF SAGAR DIAMONDS LIMITED ("SAGAR" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF RS.[●] PER EQUITY SHARE (THE "ISSUE PRICE") AGGREGATING TO RS. [●] LAKH ("THE ISSUE"), OF WHICH 1,71,000 EQUITY SHARES OF FACE VALUE OF RS. 10 EACH FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE AGGREGATING TO RS. [●] LAKH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e. NET ISSUE OF 32,10,000 EQUITY SHARES OF FACE VALUE OF RS. 10.00 EACH AT A PRICE OF RS. [●] PER EQUITY SHARE AGGREGATING TO RS. [●] LAKH IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.74% AND 25.39%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THIS ISSUE IS BEING IN TERMS OF CHAPTER XB OF THE SEBI (ICDR) REGULATIONS, 2009 AS AMENDED FROM TIME TO TIME.
For further details see "*Terms of the Issue*" beginning on page 212 of this Red Herring Prospectus.

All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") as per the SEBI circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015. For further details, please refer to section titled "*Issue Procedure*" beginning on page 221 of this Red Herring Prospectus. In case of delay, if any in refund, our Company shall pay interest on the application money at the rate of 15 % per annum for the period of delay.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH AND THE ISSUE PRICE IS [●] TIMES OF THE FACE VALUE.

RISK IN RELATION TO THE FIRST ISSUE

This being the first Public Issue of our Company, there has been no formal market for the securities of our Company. The face value of the shares is Rs.10.00 each and the Floor Price is [●] times the face value and the Cap Price is [●] times the face value. The Issue Price (as determined by our Company in consultation with the Book Running Lead Manager) as stated in the chapter titled on "*Basis for Issue Price*" beginning on page 79 of the 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 Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Red Herring Prospectus. Specific attention of the investors is invited to the section titled "*Risk Factors*" beginning on page 15 of this Red Herring Prospectus.

ISSUER's ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on SME Platform of BSE Limited ("BSE SME"). In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, our Company has received an 'in- principal' approval dated August 30, 2017 from BSE for using its name in this offer document for listing our shares on the SME Platform of BSE Limited. For the purpose of this Issue, the designated Stock Exchange will be the BSE Limited (**"BSE"**).

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
GRETEX CORPORATE SERVICES PRIVATE LIMITED Office No. 13, 1st Floor, New Bansilal Building, Raja Bahadur Mansion, 9-15, Homi Modi Street, Fort, Mumbai – 400023 **Tel:** +91-22-4002 5273**; Fax:** +91-22-4002 5273 **Website**: www.gretexcorporate.com **Email / Investor Grievance Id** : info@gretexgroup.com **Contact Person**: Mr. Manish Tejwani **SEBI Registration No**: INM000012177	**BIGSHARE SERVICES PRIVATE LIMITED** 1st Floor, Bharat Tin works building, Opp. Vasant Oasis, Makwana Road, Andheri East, Mumbai – 400 059 **Tel:** +91 – 22 – 62638200**;** **Fax:** +91 – 22 – 62638299**;** **Email:** ipo@bigshareonline.com; **Website:** www.bigshareonline.com **Investor Grievance Email:** investor@bigshareonline.com; **Contact Person:** Mr. Babu Raphael **SEBI Registration No.:** INR000001385

ISSUE PROGRAMME	
ISSUE OPENS ON: SEPTEMBER 14, 2017	**ISSUE CLOSES ON: SEPTEMBER 18, 2017**

PARTICULARS	PAGE
SECTION I: GENERAL	
DEFINITIONS AND ABBREVIATIONS	2
CURRENCY CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY PRESENTATION	12
FORWARD LOOKING STATEMENTS	14
SECTION II: RISK FACTORS	
RISK FACTORS	15
SECTION III: INTRODUCTION	
SUMMARY OF INDUSTRY	32
SUMMARY OF OUR BUSINESS	34
SUMMARY OF FINANCIAL INFORMATION	36
THE ISSUE	40
GENERAL INFORMATION	41
CAPITAL STRUCTURE	51
SECTION IV: PARTICULARS OF THE ISSUE	
OBJECTS OF THE ISSUE	71
BASIC TERMS OF THE ISSUE	77
BASIS FOR ISSUE PRICE	79
STATEMENT OF POSSIBLE TAX BENEFITS	82
SECTION V: ABOUT THE COMPANY AND THE INDUSTRY	
OUR INDUSTRY	86
OUR BUSINESS	93
KEY REGULATIONS AND POLICIES	105
HISTORY AND CERTAIN CORPORATE MATTERS	113
OUR MANAGEMENT	117
OUR PROMOTERS AND PROMOTER GROUP	132
GROUP ENTITIES OF OUR COMPANY	137
RELATED PARTY TRANSACTIONS	138
DIVIDEND POLICY	139
SECTION VI: FINANCIAL INFORMATION	
FINANCIAL STATEMENTS	140
PROFORMA FINANCIAL STATEMENTS	166
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS	178
STATEMENT OF FINANCIAL INDEBTEDNESS	189
SECTION VII: LEGAL AND OTHER INFORMATION	
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS	190
GOVERNMENT AND OTHER APPROVALS	195
OTHER REGULATORY AND STATUTORY DISCLOSURES	197
SECTION VIII: ISSUE INFORMATION	
TERMS OF THE ISSUE	212
ISSUE STRUCTURE	218
ISSUE PROCEDURE	221
RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES	266
SECTION IX: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION	
MAIN PROVISIONS OF ARTICLES OF ASSOCIATION	267
SECTION X: OTHER INFORMATION	
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	315
DECLARATION	317

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Red Herring Prospectus uses certain definitions and abbreviation which, unless the context otherwise indicates or implies, shall have the respective meanings given below. References to statutes, regulations, rules, guidelines and policies will be deemed to include all amendments and modifications thereto.

All references to "Our Company", "we", "our", "us" or "Sagar Diamonds Limited", a Company incorporated under the Companies Act, 2013 and having its Registered Office at Unit No. 101, Plot No. 193, SEZ Diamond Park Sachin, Surat - 394230, Gujarat, India.

The words and expression used in this Red Herring Prospectus, but not defined herein, shall have the same meaning ascribed to such terms under the SEBI (ICDR) Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder as the case may be. Notwithstanding the foregoing, the terms not defined but used in the sections titled "*Statement of Tax Benefits*"; "*Financial Statements*"; "*Outstanding Litigation and Material Developments*"; and "*Main Provisions of Articles of Association*" beginning on pages 82, 140, 190 and 267 respectively, shall have the meanings ascribed to such terms in these respective sections.

Unless the context otherwise indicates or implies, the following terms shall have the meanings provided below in this Red Herring Prospectus, and references to any statute or regulations or policies will include any amendments or re-enactments thereto, from time to time. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

COMPANY RELATED TERMS

Term	Description
Articles/ Articles of Association/ AoA	The articles of association of our Company, as amended
Audit Committee	Audit Committee of our Company constituted in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013
Auditor/ Statutory Auditor	The statutory auditors of our Company, being V P Agrawal & Associates, Chartered Accountants.
Banker to our Company	Axis Bank Limited, as disclosed in the section titled "*General Information*" beginning on page 41 of this Red Herring Prospectus
Board of Director(s)/the Board/our Board/ Director(s)	The director(s) on our Board, unless otherwise specified. For further details of our Directors, please refer to section titled "*Our Management*" beginning on page 117 of this Red Herring Prospectus.
Corporate Promoter	SG Diamonds LLP (formerly known as Surbin & Sons LLP)
Equity Listing Agreement/ Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our company and the SME Platform of BSE Limited.
Equity Shares	The equity shares of our Company of face value of ₹10 each, fully paid-up, unless otherwise specified in the context thereof
Equity Shareholders	Persons/ Entities holding Equity Shares of Our Company.
Group Companies/ Entities	The companies included under the definition of "*Group Companies*" under the SEBI (ICDR) Regulations and identified by the Company in its Materiality Policy. For further details, please refer to section titled "*Group Entities of Our Company*" beginning on page 137 of this Red Herring Prospectus.
Key Managerial Personnel/ KMP	The key management personnel of our Company in terms of the SEBI (ICDR) Regulations and the Companies Act, 2013 disclosed in section titled "*Our Management*" beginning on page 117 of this Red Herring Prospectus.

Term	Description
Materiality Policy	The policy on determination of materiality, by our Board on July 05, 2017, in accordance with the requirements Regulation 30 of the SEBI (ICDR) Regulations.
Memorandum/ Memorandum of Association/ MoA	The memorandum of association of our Company, as amended
Nomination and Remuneration Committee	The nomination and remuneration committee of our Company, as disclosed in "Our Management" on page 117 of this Red Herring Prospectus.
Peer Review Auditor	Independent Auditor having a valid Peer Review certificate in our case being Doshi Maru & Associates, Chartered Accountants
Promoters	The promoters of our Company being: 1. Mr. Vaibhav Dipak Shah 2. SG Diamonds LLP (Formerly known as Surbin and Sons LLP) For further details, please refer to section titled "*Our Promoters and Promoter Group*" beginning on page 132 of this Red Herring Prospectus.
Promoter Group	Includes such persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI (ICDR) Regulations and as disclosed under section titled "*Our Promoters and Promoter Group"* beginning on page 132 of this Red Herring Prospectus.
Registered Office	Unit No. 101, Plot No. 193, SEZ Diamond Park Sachin, Surat -394230, Gujarat, India
Restated Financial Statement	Audited Financial Statements for the Financial Years ended March 31, 2017 and 2016, and for the period ended June 20, 2017, as restated in accordance with SEBI (ICDR) Regulations, comprises of (i) Financial Information as per Restated Summary Financial Statements and (ii) Other Financial Information.
RoC/ Registrar of Companies	Registrar of Companies, Ahmedabad, Gujarat, ROC Bhawan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpur, Ahmedabad – 380 013, Gujarat, India

ISSUE RELATED TERMS

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid.
Allot/ Allotment/ Allotted of Equity Shares	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the transfer of the respective portion of the Issued Shares by Company pursuant to the Issue of the Equity Shares to the successful Bidders.
Allocation/ Allotment of Equity Shares	The transfer of the Equity Shares pursuant to the Issue to the successful Bidders.
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges.
Allottee (s)	A successful bidder (s) to whom the Equity Shares are being/ have been issued /allotted.
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by all Bidders to make an application authorizing a SCSB to block the application amount in the ASBA Account maintained with the SCSB. Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all the investors can apply through ASBA process.
ASBA Account	Account maintained by an ASBA bidders/Investors with a SCSB which will be blocked by such SCSB to the extent of the Application Amount of the ASBA Bidder/Investor.
ASBA Application Location (s)/ Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata, Ahmedabad, Nagpur, Bangalore, Hyderabad and Pune.
ASBA Bid	A Bid made by an ASBA Bidder

Term	Description
ASBA Bidder(s)	Any Bidder in the Issue who intends to submit a Bid.
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Basis of Allotment	The basis on which the Equity Shares will be Allotted as described in the section titled "*Issue Procedure*" - Basis of Allotment beginning on page 221 of this Red Herring Prospectus.
Bid(s)	An indication to make an Issue during the Bid/Issue Period by a Bidder pursuant to submission of the Bid cum Application Form to subscribe for or purchase our Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto, to the extent permissible under SEBI ICDR Regulations.
Bid Amount	The highest value of the optional Bids as indicated in the Bid-cum-Application Form and payable by the Bidder upon submission of the Bid in this Issue.
Bid Cum Application Form	The form in terms of which the Bidder shall make a Bid and which shall be considered as the application for the Allotment pursuant to the terms of the Red Herring Prospectus and the Prospectus.
Bid Lot	[●]
Bid/Issue Closing Date	The date on which the Designated Intermediaries shall not accept Bids for the Issue, which shall be published by our Company in all editions of [●] (a widely circulated English national newspaper) and all editions of [●] (a widely circulated Hindi national newspaper, and the [●] edition of [●] (a widely circulated regional language in the place where our Registered is located)
Bid/ Issue Opening Date	The date on which the Designated Intermediaries shall start accepting Bids for the Issue, which shall be published by our Company in all edition of [●] (a widely circulated English national newspaper) and all editions of [●] (a widely circulated Hindi national newspaper and the [●] edition of [●] (a widely circulated regional language in the place where our Registered is located)
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, including any revisions thereof.
Bidding Centers	Centers at which the Designated Intermediaries shall accept the Bid cum Application Forms, i.e, Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process/ Book Building Method	The book building route as provided under Schedule XI of the SEBI (ICDR) Regulations, 2009, in terms of which this Issue is being made.
Broker Centres	Broker centres notified by the Stock Exchanges, where the Bidders can submit the Application Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the website of the BSE on the following link:- http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3
BRLM / Book Running Lead Manager	Book Running Lead Manager to the Issue, in this case being Gretex Corporate Services Pvt. Ltd.
Business Day	Monday to Friday (except public holidays)
BSE SME	The SME platform of BSE Limited, approved by SEBI as an SME Exchange for listing of equity shares issued under Chapter X-B of the SEBI ICDR Regulations
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Cap Price	The higher end of the Price Band, in this case being [●] per Equity Share 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

Term	Description
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Controlling Branches of SCSBs	Such branches of the SCSBs which co-ordinate Applications under this Issue made by the Bidders with the Book Running Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is provided on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Bidders such as their Address, PAN, Occupation and Bank Account details.
Designated Intermediaries /Collecting Agent	Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Application Forms from the Bidders, in relation to the Issue
Depository/ Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 as amended from time to time, being NSDL and CDSL.
Depository Participant/DP	A depository participant as defined under the Depositories Act, 1966.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the ASBA Applicant and 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 CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. www.bseindia.com
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. www.bseindia.com
Designated Date	On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.
Draft Red Herring Prospectus	The Draft Red Herring Prospectus dated July 17, 2017 issued in accordance with Section 32 of the Companies Act, 2013.
Designated Market Maker (s)	Gretex Share Broking Private Limited (Formerly known as Sherwood Securities Private Limited) & NNM Securities Private Limited
Designated Stock Exchange	SME Platform of BSE Limited
DP	Depository Participant
DP ID	Depository Participant's Identity number.
Effective Date	The effective date is the term used in the business transfer agreement for taking over the assets and liabilities i.e. April 01, 2017
Eligible NRI(s)	NRI(s) from such jurisdiction outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom this Red Herring Prospectus constitutes an invitation to subscribe for the Equity Shares Issued herein on the basis of the terms thereof
FII / Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the Circular (CIR/CFD/DIL/12/2013) dated 23rd October, 2013, notified by SEBI read with SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all the investors can apply through ASBA process.
ICDS	Income Computation and Disclosures Standards

Term	Description
Issue Price	The final price within the Price Band at which Offered Shares will be Allotted to successful Bidders in terms of the Red Herring Prospectus and this Red Herring Prospectus.
Issue Proceeds	The proceeds of the Issue as stipulated by the Company. For further information about use of the Issue Proceeds please refer to section titled "*Objects of the Issue"* beginning on page 71 of this Red Herring Prospectus.
Market Maker	Member Brokers of BSE who are specifically registered as Market Makers with the BSE SME Platform. In our case, Gretex Share Broking Private Limited (Formerly known as Sherwood Securities Private Limited) & NNM Securities Private Limited, Market Maker to the Issue.
Market Making Agreement	The Market Making Agreement dated dated July 31, 2017 and Addendum to the Market Agreement dated September 04, 2017 between our Company and Market Maker
Market Maker Reservation Portion	The reserved portion of [●] Equity Shares of ₹10.00 each at an Issue Price of ₹ [●] each to be subscribed by Market Maker.
MOU/ Issue Agreement	The Memorandum of Understanding/Issue Agreement dated July 12, 2017 between our Company and Book Running Lead Manager.
Mutual Fund(s)	Mutual fund (s) registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of up to 32,10,000 equity shares of face value ₹10.00 each of Sagar Diamonds Limited for cash at a price of ₹ [●] per Equity Share (the "Issue Price"), including a share premium of ₹ [●] per equity share aggregating up to ₹ [●] Lakh.
Net Proceeds	The Issue Proceeds, less the Issue related expenses, received by the Company.
Non Institutional Investors or NIIs	All Bidders, including sub-accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals, that are not QIBs or Retail Individual Investors and who have applied for Equity Shares for an amount of more than ₹ 2 Lakh (but not including NRIs other than Eligible NRIs)
Overseas Corporate Body / OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Other Investors	Investors other than Retail Individual Investors. These include individual Bidders other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Payment through electronic means	Payment through NECS, NEFT, or Direct Credit, as applicable.
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust, or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Prospectus	The Prospectus, to be filed with the RoC in accordance with the provisions of Section 32 of the Companies Act, 2013.
Public Issue Account	The Bank Account opened with the Banker(s) to this Issue, Kotak Mahindra Bank Limited under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the ASBA Bidders on the Designated Date.
Qualified Institutional Buyers or QIBs	A qualified institutional buyer as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations.
Red Herring Prospectus or 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 Allotted and which shall be registered with the RoC at least three days before the Bid/Issue Opening Date and will

Term	Description
	become the Prospectus after filing with the RoC after the Pricing Date, including any addenda or corrigendum thereto.
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the Members of the Syndicate.
Registrar and Share Transfer Agents or 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 this Issue /RTI	Registrar to the Issue being Bigshare Services Private Limited.
Registrar Agreement	The agreement dated July 08, 2017, entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar pertaining to the Issue.
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), as applicable. QIBs bidding in the QIB Portion and NIIs bidding in the Non-Institutional Portion are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage.
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Retail Individual Investors/RIIs	Individual Bidders or minors applying through their natural guardians, (including HUFs in the name of Karta and Eligible NRIs) who have applied for an amount less than or equal to ₹2 Lakh in this Issue.
Self Certified Syndicate Bank(s) or SCSB(s)	Banks registered with SEBI, Issuing services in relation to ASBA, a list of which is available on the website of SEBI at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html
Sagar Gems	Sagar Gems is a proprietary firm of our promoter Mr. Vaibhav Dipak Shah. The firm is acquired by our company vide agreement dated April 25, 2017 between our company and Sagar Gems.
Specified Locations	The Bidding centres where the Syndicate accepted ASBA Forms from Bidders.
SME Exchange	The SME Platform of the BSE i.e BSE SME
SME Platform	The SME Platform of BSE i.e. BSE SME for listing equity shares Issued under Chapter XB of the SEBI ICDR Regulation which was approved by SEBI as an SME Exchange.
Syndicate Agreement	The agreement to be entered into among the members of the Syndicate, our Company in relation to the collection of Bids in the Issue (other than Bids directly submitted to the SCSBs under the ASBA process or to Registered Brokers at the Broker Centres)
Syndicate Members	Intermediaries registered with SEBI and permitted to carry out activities as an underwriter, in this case being Gretex Share Broking Private Limited and NNM Securities Private Limited
Syndicate or members of the Syndicate	Collectively, the BRLM and the Syndicate Members
Underwriters	Gretex Corporate Services Private Limited
Underwriting Agreement	The agreement between our Company and the Underwriters, to be entered into on or after the Pricing Date.
Working Days	All days, other than second and fourth Saturday of a month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between 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

Conventional and General Terms

Term	Description
ACIT	Assistant Commissioner of Income Tax

Term	Description
AIF(s)	The alternative investment funds, as defined in, and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
Air Act, 1981	Air (Prevention and Control of Pollution) Act, 1981
Category I Foreign Portfolio Investor(s)	FPIs who are registered as "Category I foreign portfolio investor" under the SEBI FPI Regulations
Category II Foreign Portfolio Investor(s)	FPIs who are registered as "Category II foreign portfolio investor" under the SEBI FPI Regulations
Category III Foreign Portfolio Investor(s)	FPIs who are registered as "Category III foreign portfolio investor" under the SEBI FPI Regulations
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
Companies Act/ Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules made thereunder
Competition Act	The Competition Act, 2002
Consolidated FDI Policy	Consolidated FDI Policy dated August 28, 2017 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time.
CST Act	Central Sales Tax Act, 1956
FCNR Account	Foreign currency non-resident account
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations 2000
FII(s)	Foreign Institutional Investors as defined under the SEBI FPI Regulations.
Financial Year/ Fiscal/ Fiscal Year/ F.Y.	Period of twelve (12) months ended March 31 of that particular year, unless otherwise stated
Foreign Portfolio Investor or FPI	Foreign Portfolio Investors, as defined under the SEBI FPI Regulations and registered with SEBI under applicable laws in India.
FVCI	Foreign Venture Capital Investor, registered under the FVCI Regulations
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
Hazardous Waste Rules, 2008	Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008
Income Tax Act or the I.T. Act	The Income Tax Act, 1961
Ind AS	New Indian Accounting Standards notified by Ministry of Corporate Affairs on February 16, 2015, applicable from Financial Year commencing April 1, 2016 as amended.
LLP Act	The Limited Liability Partnership Act, 2008
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the Government as having come into effect prior to the date of this Red Herring Prospectus
NRE Account	Non-resident external account
NRO Account	Non-resident ordinary account
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under FEMA
RBI Act	Reserve Bank of India Act, 1934
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations,

Term	Description
	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 Investors) Regulations, 2000
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
SEBI (LODR) Regulations/ SEBI Listing Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	The erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996
Securities Act	U.S. Securities Act of 1933, as amended
State Government	The government of a state of the Union of India
STT	Securities Transaction Tax
Sub-account	Sub-accounts registered with SEBI under the SEBI FII Regulations other than sub-accounts which are foreign corporates or foreign individuals
VCFs	Venture Capital Funds as defined and registered with SEBI under the SEBI VCF Regulations
Water Act, 1974	Water (Prevention and Control of Pollution) Act, 1974
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(1)(zn) of SEBI Regulations

Technical and Industry related terms

Term	Description
ARMs	Additional Revenue Measures
CAGR	Compound Annual Growth Rate
CapEx	Capital Expenditure
CPI	Consumer price index
CSO	Central Statistics Office
DIPP	Department of Industrial Policy and Promotion
FDI	Foreign Direct Investment
FOB	Freight On Board
GDP	Gross Domestic Product
GDS	Gold Deposit Scheme
GJEPC	Gems and Jewellery Export promotion Council
GML	Gold Metal Loan
GVA	Gross value added
IIGJ	Indian Institute of Gems & Jewellery
HVI	High Volume Instrument
IIP	Index of Industrial Production
IPS Scheme 2007	Package Scheme of Incentives 2007
Kg/kgs	Kilogram(s)
KVA	Kilo-volt-ampere (a unit of apparent power)
MAI	Market Access Initiative
MDA	Market Development Assistance
MoU	Memorandum of Understanding
NER	North East Region
Sq. ft	Square feet
WEO	World Economic Outlook
WPI	Wholesale Price Index

General terms/ Abbreviations

Term	Description
₹ or Rs. or Rupees or INR	Indian Rupees
AGM	Annual General Meeting
AS/Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
A.Y.	Assessment year
BC	Before Christ
BPLR	Bank Prime Lending Rate
BSE	BSE Limited
CAGR	Compounded annual growth rate
CARO	Companies (Auditor's Report) Order, 2003
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CIN	Corporate Identity Number
CLB	Company Law Board
CrPC	Criminal Procedure Code, 1973, as amended
CSR	Corporate Social Responsibility
DIN	Director Identification Number
DP ID	Depository participant's identification
ECS	Electronic Clearing System
EBITDA	Earnings before Interest, Tax Depreciation and Amortisation
EGM	Extraordinary General Meeting of the Shareholders of the Company
EPS	Earnings Per Share
ESOS	Employee Stock Option Scheme
FDI	Foreign direct investment
FIPB	Foreign Investment Promotion Board
GAAR	General anti avoidance rules
GIR	General index register
GoI/ Government	Government of India
HNI	High Net worth Individual
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
ISO	International Organization for Standardization
IT Act	The Income Tax Act, 1961, as amended
IT Rules	The Income Tax Rules, 1962, as amended
JV	Joint Venture
MCA	Ministry of Corporate Affairs, Government of India
MoU	Memorandum of understanding
N.A.	Not Applicable
NAV/ Net Asset Value	Net asset value being paid up equity share capital plus free reserves (*excluding reserves created out of revaluation*) less deferred expenditure not written off (*including miscellaneous expenses not written off*) and debit balance of profit and loss account, divided by number of issued Equity Shares
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
NoC	No Objection Certificate
No.	Number
NR	Non-resident
NSDL	National Securities Depository Limited.
NTA	Net Tangible Assets
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit before tax

Term	Description
PCB	Pollution Control Board
P/E Ratio	Price per earnings ratio
Pvt.	Private
RBI	Reserve Bank of India
RoC	Registrar of Companies
RONW	Return on Net Worth
RTGS	Real time gross settlement
SCN	Show Cause Notice
SCSB	Self-certified syndicate bank
UIN	Unique identification number
US	United States
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value added tax
YoY	Year on Year

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

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references to "India" in this Red Herring Prospectus are to the Republic of India, all references to the "U.S.", the "USA" or the "United States" are to the United States of America, together with its territories and possessions.

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

Financial Data

Unless stated otherwise, the financial information in this Red Herring Prospectus is derived from our Restated Financial Statements (i) as of and for F.Y. ended March 31, 2017 and 2016; and for the period ended June 20, 2017 is prepared in accordance with Indian GAAP and the Companies Act, and restated in accordance with the SEBI (ICDR) Regulations.

In this Red Herring Prospectus, all figures in decimals have been rounded off to the second decimal place and all percentage figures have been rounded off to two decimal places.

In accordance with India's roadmap for "Convergence of its existing standards with IFRS", referred to as "**IND (AS)**", as announced by the GoI, Ministry of Corporate Affairs (the "**MCA**") through press note dated January 22, 2010, read with the Companies (Indian Accounting Standards) Rules, 2015 issued by the MCA on February 16, 2015, effective April 1, 2015, our annual and interim financial statements must be reported under IND (AS) for accounting periods commencing on or after April 1, 2016. Therefore, our annual and interim financial statements reported after April 1, 2016 will not be directly comparable to the Restated Financial Statements.

Pursuant to a SEBI circular dated March 31, 2016, with respect to financial information to be included in any offer document filed with SEBI on or after April 1, 2016 and until March 31, 2017, we have chosen to report our Restated Financial Statements, for the preceding five years, included in this Red Herring Prospectus under Indian GAAP. Further, for risk in relation to IND (AS), see "Risk Factor" and "Our Restated Financial Statements for the preceding five years, on standalone, included in this Red Herring Prospectus, has been prepared under IGAAP, which varies in certain respects from other accounting principles, including IND (AS), which may be material to investors' assessment of our results of operations and financial condition*."* on page 15 and 140 respectively. In order to comply with requirements applicable to public companies in India, subsequent to our Equity Shares being listed on the Stock Exchanges, we will be required to prepare our annual and interim financial statements under IND (AS), as applicable. IND (AS) is different in many respects from Indian GAAP under which our audited financial statements for statutory reporting purposes under the Companies Act have been prepared until Fiscal 2016. The preparation and presentation of our financial statements after listing may be not be comparable with, or may be substantially different from, the preparation and presentation of the Restated Financial Statement is being disclosed in this Red Herring Prospectus.

There are significant differences between Indian GAAP and IND (AS). Accordingly, the degree to which the Restated Financial Statements included in this 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, Indian GAAP, IND (AS), the Companies Act and the SEBI ICDR Regulations, on the Restated Financial Statements presented in this Red Herring Prospectus should accordingly be limited. Although we have included a summary of qualitative and quantitative differences between Indian GAAP and IND (AS), our financial statements reported under IND (AS) in future accounting periods may not be directly comparable with our financial statements historically prepared in accordance with Indian GAAP, including disclosed in this Red Herring Prospectus. You should consult your own advisors regarding such differences and their impact on our financial data.

Unless otherwise indicated, any percentage amounts, as set forth in this Red Herring Prospectus, including in the sections titled "*Risk Factors*"; "*Our Business*"; "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 15, 93 and 178 respectively, have been calculated on the basis of the restated audited financial statements of our Company included in this Red Herring Prospectus.

Currency and Units of Presentation

All references to "Rupees", "Rs.", "INR" or "₹" are to Indian Rupees, the official currency of the Republic of India. Our Company has presented certain numerical information in this Red Herring Prospectus in "Lakh" units. One lakh represents 1,00,000. In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed therein are due to rounding-off.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Red Herring Prospectus has been derived from industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although, we believe that the industry and market data used in this Red Herring Prospectus is reliable, neither we nor the Book Running Lead Manager nor any of their respective affiliates or advisors have prepared or verified it independently. The extent to which the market and industry data used in this Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled "*Risk Factors*" beginning on 15 of this Red Herring Prospectus. Accordingly, investment decisions should not be based on such information.

In accordance with the SEBI (ICDR) Regulations, we have included in the section titled "*Basis for Issue Price*" beginning on page 79 of this Red Herring Prospectus, information pertaining to the peer group entities of our Company. Such information has been derived from publicly available data of the peer group companies.

Exchange Rates

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

FORWARD LOOKING STATEMENTS

The Company has included statements in this Red Herring Prospectus which contain words or phrases such as "may", "will", "aim", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "seek to", "future", "objective", "goal", "project", "should", "potential" and similar expressions or variations of such expressions, that are or may be deemed to be forward looking statements.

All statements regarding the expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements as to the business strategy, the revenue, profitability, planned initiatives. These forward-looking statements and any other projections contained in this Red Herring Prospectus (*whether made by us or any third party*) are predictions and involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Important factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the section titled "*Risk Factors*"; "*Management's Discussion and Analysis of Financial Condition and Results of Operations"*; "*Our Industry*"; and "*Our Business*" beginning on pages 15, 178, 86 and 93 respectively of this Red Herring Prospectus.

The forward-looking statements contained in this Red Herring Prospectus are based on the beliefs of our management, as well as the assumptions made by and information currently available to our management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materializes, or if any of the underlying assumptions prove to be incorrect, the actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

Certain important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

1. General economic and business conditions in India and other countries;
2. Ability to retain the customers is heavily dependent upon various factors including our reputation and our ability to maintain a high level of product quality including our satisfactory performance for the customers;
3. We operate in a significantly fragmented and competitive market in each of our business segments;
4. Regulatory changes relating to the finance and capital market sectors in India and our ability to respond to them;
5. Our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks that have an impact on our business activities or investments;
6. The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry;
7. Changes in the value of the Rupee and other currencies;
8. The occurrence of natural disasters or calamities; and

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Our Company, the Book Running Lead Manager, or their respective affiliates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Book Running Lead Manager will ensure that investors are informed of material developments until the time of the grant of final listing and trading permissions with respect to Equity Shares being issued in this Issue, by the Stock Exchanges. Our Company will ensure that investors are informed of material developments in relation to statements about our Company in this Red Herring Prospectus until the Equity Shares are allotted to the investors.

SECTION II: RISK FACTORS

Any investment in equity securities involves a high degree of risk. You should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a more complete understanding, you should read this section together with section titled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 93 and 178 respectively, as well as the other financial and statistical information contained in this Red Herring Prospectus.

Any of the following risks, as well as the other risks and uncertainties discussed in this Red Herring Prospectus, could have an adverse effect on our business, financial condition, results of operations and prospects and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or a part of your investment. The risks and uncertainties described in this section are not the only risks that we may face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations, financial condition and prospects.

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

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the effect is not quantifiable and hence has not been disclosed in such risk factors. You should not invest in this Issuing unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the consequences to you of an investment in the Equity Shares.

The financial information in this section is, unless otherwise stated, derived from our Consolidated Restated Financial Statements prepared in accordance with Indian GAAP, as per the requirements of the Companies Act 2013 and SEBI (ICDR) Regulations. The risk factors have been determined based on their materiality. Some events may not be material individually but may be found to be material collectively, some events may have a material impact qualitatively instead of quantitatively and some events may not be material at present but may have material impacts in the future.

1. ***Business Transfer Agreement between Sagar Gems and our Company contain restrictive covenants with certain terms and conditions. Inability to effectively service the terms and conditions, comply with or obtain waivers of some covenants, as the case may be, may adversely affect our business, results of operations and financial conditions.***

   Our company has entered into a Business Transfer Agreement dated April 25, 2017 with Sagar Gems, a propritery firm of our promoter and Mr. Vaibhav Dipak Shah in order to corporatize the business of Sagar Gems. The main terms and condition of the agreement are as follows:

   - The company will issue 59,21,860 shares of 10 each and ₹ 1 as cash payment to Vaibhav Dipak Shah against the purchase consideration of business purchase of Sagar gems.
   - The company has purchased the rights of the Stock, Debtors and Creditors but the liability to realise/settle the debtors and creditors is still with the Promoter because the same cannot be transferred to the company.
   - Sagar Gems has to close the business from May 15, 2017 and close the purchase.
   - The foreign exchange gain/loss has to be borne by our company and not Sagar Gems.
   - The Stock, debtors and creditors will settle in 9 (nine) months from the effective date of Signing the Agreement i.e. January 01, 2017.
   - The company has purchased the debtors and creditors of ₹ 81,49,54,940 and ₹ 79,06,52,793 are outstanding more than 9 (nine) months.

Inability to effectively service aforesaid agreement, comply with or obtain waivers of certain terms and conditions, as the case may be, may adversely affect our business, results of operations and financial conditions. Also, our Company may face regulatory proceedings including RBI w.r.t. to the Receipt/ Payment of the Debtors/ Creditors takenover etc. For further details, please see the section entitled "Financial Indebtedness" on page 189.

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

Competition in the Gems and Jewellery industry is significant. We operate in highly competitive and fragmented markets, and competition in these markets is based primarily on market trends and customer preferences. The players in the jewellery and diamond sector in India often offer their products at highly competitive prices and many of them are well established in their local markets. We face competition from jewellery retailers such as:

1. Marvel International Pvt. Ltd.
2. Yashvardhan Jewels
3. Leora Jewel Pvt. Ltd.
4. Kaviya Jewels
5. Shree Ram Krishna Export Pvt Ltd.

Some of our competitors may be larger than us in terms of business volume. In addition, our competitors that are smaller specialized companies may compete effectively against us based on price and their concentrated size and focus. For details of our competitors, see the section "Our Business" on page 93.

3. ***Our Company does not have any experience in the business of Manufacturing and trading of Diamonds, gold, precious stones etc.***

Our company was not involved in the business of manufacturing and trading of Diamonds since its incorporation, however in its place the Promoter and Director, Mr. Vaibhav Dipak Shah, was involved in the business of manufacturing and trading of Diamonds, gold, precious stones etc since 2010. On April 01, 2017, our Company has acquired the business of manufacturing and trading of diamonds, gold, precious stones etc. If we are unable to effectively manage our operations or pursue our growth strategy, our business, financial condition, results of operations and prospects may be adversely affected.

4. ***Significant portion of our sales is dependent on few of our seller/ distributors/ dealer/ retailers/ traders and a loss of one or more such significant sellers/ distributors/ dealer/ retailers/ traders or a reduction in their sales of our products could adversely affect our financial condition thereby reducing our reducing revenues.***

We are extensively dependent on a limited number of sellers for a significant portion of our income. In Fiscal 2017, our top 10 sellers/ distributors/ dealer/ retailers/ traders contributed 100 % of our total revenue. The loss of one or more of these significant sellers/ distributors/ dealer/ retailers/ traders or a reduction in the amount of business we obtain from them could have an adverse effect on our financial condition and result in reduction of our income. We cannot assure you that we will be able to maintain historic levels of business from our significant sellers or that we will be able to significantly reduce seller's concentration in the future.

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.

5. Our Promoter, Mr. Vaibhav Dipak Shah is party 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 Promoter, Mr. Vaibhav Dipak Shah is party to certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts, tribunals and forums.

Mentioned below are the details of the proceedings pending against our Promoter, Mr. Vaibhav Dipak Shah as on the date of this Red Herring Prospectus along with the amount involved, to the extent quantifiable, based on the materiality policy for litigations, as approved by the Company in its Board meeting held on July 5, 2017:

Sr. No.	Nature of Cases		No. of outstanding cases	Amount to the extent quantifiable (in ₹ Lakh)[(1)]
(I) Litigations filed against our Promoter				
1.	Tax	Income Tax	6	869.45
(II) Litigations filed by our Promoter				
1.	Tax	Income Tax	2	912.17

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

There can be no assurance that these litigations will be decided in favour of our Promoter and consequently it may divert the attention of our management and Promoters and waste our corporate resources and we may incur significant expenses in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If such claims are determined against our Promoter, 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 further details of such cases and the cases filed by and against our Promoters, please see the chapter titled "Outstanding Litigation and Material Developments" beginning on page 190 of this Red Herring Prospectus.

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

We require several statutory and regulatory permits, licenses and approvals to operate our business, some of which our Company has either received, applied for or is in the process of application. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Non-renewal of the said permits and licenses would adversely affect our Company's operations, thereby having a material adverse effect on our business, results of operations and financial condition. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Our Company has applied for the following approvals and the receipt of the same are pending as on date of this Red Herring Prospectus: (i) application for registration with Export Promotion Council for EOUs and SEZs; and (ii) Registration of Trademark (device) our corporate logo. Further, our Company requires the following statutory and regulatory registration for our business, however, the same has not been obtained by us, as on date of this Red Herring Prospectus: (i) Registration of our corporate office located in Maharashtra under the provision of the Maharashtra Shops and Establishment Act, 1948; and (ii) Certificate

of Membership from Gem and Jewellery Export Promotion Council. We may be penalized for non-compliance with the aforementioned laws for which we have not obtained the requisite license. Further, some of our permits, licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change, we may incur increased costs, be subject to penalties or suffer a disruption in our business activities, any of which could adversely affect our results of operations. For further details, please see chapters titled "Key Industry Regulations and Policies" and "Government and Other Statutory Approvals" at pages 105 and 195 respectively of this Red Herring Prospectus.

7. Trademark of our logo is not registered and we are in the process of seeking registration of trademark of our logo. There is no assurance that this application shall result in us being granted registration in a timely manner as the status is shown as objected in public search of trademark. Failure to protect our intellectual property may adversely affect our reputation, goodwill and business operations

Our corporate name and logo has not been registered because of the same the use of the words "Sagar Diamonds" in the corporate and trading names by any third parties may lead consumers to confuse them with our Company and if they experience any negative publicity, it could have an adverse effect on our business, results of operations and financial condition. This confusion might also lead to our Company losing business to such competitors and might adversely affect our goodwill. However, we are in the process of making an application for the registration of the trademark of our logo . Further, since it is not registered and also has been objected, we do not enjoy the statutory protections accorded to a registered trademark and are subject to the various risks arising out of the same, including but not limited to infringement or passing off our name and logo by a third party. Maintaining the reputation of our brands, corporate name, logo and the goodwill associated with these trademarks is critical to our success. Substantial erosion in the value of our brand names could have a material adverse effect on our business, financial condition, results of operations and prospects. For further details please refer to section titled "Government and Other Approvals" beginning on page 195 of this Red Herring Prospectus.

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

The Government of India has proposed a comprehensive national goods and service tax (GST) regime that will combine taxes and levies by the Central and State Governments into a unified rate structure. Given the limited liability of information in the public domain covering the GST we are unable to provide/ measure the impact this tax regime may have on our operations.

9. Our integrated operations and the diversity of the Indian and Foreign jewellery market expose us to certain risks. If we are unable to effectively manage our operations or pursue our growth strategy, our business, financial condition, results of operations and prospects may be adversely affected.

Our revenue from operation has increased from NIL to ₹ 9,99,89,350 in Fiscal 2017 as compared to Fiscal 2016 and further in the period ended June 20, 2017, the revenue from operations is ₹ 10,28,55,678. Our company has made profit after tax of ₹ 34,01,970 in Fiscal 2017 from (5,750) in Fiscal 2016. Further our company, in the period ended June 20, 2017, made profit after tax ₹

29,49,697. If we are unable to effectively manage our operations, our business, financial condition, results of operations and prospects may be adversely affected.

10. Our success depends largely on our senior management and our ability to attract and retain our key personnel

Our success depends on the continued services and performance of the members of our management team and other key employees. Competition for senior management in the industry is intense, and we may not be able to retain our existing senior management or attract and retain new senior management in the future. The loss of the services of our Promoters could seriously impair our ability to continue to manage and expand our business. Further, the loss of any other member of our senior management or other key personnel may adversely affect our business, results of operations and financial condition. We do not maintain 'key man' life insurance for our Promoters, senior members of our management team or other key personnel.

11. The non-availability or high cost of quality diamonds may have an adverse effect on our business, results of operations, financial condition and prospects.

Procurement of diamonds in time as well as the quality and the price, at which they are procured, play an important role in the successful operation of our business. Diamonds used in our manufacturing operations, particularly for the jewellery to be sold within India and overseas, is primarily sourced from nominated banks and agencies in India and overseas. We may also require specific quality raw materials including precious stones for a particular jewellery design. Accordingly, our business is affected by the availability, cost and quality of raw materials. The prices and supply of these and other materials depend on factors beyond our control, including general economic conditions, competition, production levels and regulatory factors such as import duties. Currently, the RBI allows only certain banks in India to import precious metals such as gold and we are subject to the rates of interest charged by these banks. There has been a significant increase in the cost of gold and diamonds in recent years, which has resulted in an increase in our operational cost. We cannot assure you that we will be able to procure quality raw materials at competitive prices or at all. In addition, if for any reason, our primary suppliers of raw materials should curtail or discontinue their delivery of such raw materials to us, in the quantities we need and at prices that are competitive, our ability to meet our material requirements for our operations could be impaired, our delivery schedules could be disrupted and our business and reputation may be adversely affected. Further, any rise in gold prices may cause customers to delay their purchases, thereby adversely affecting our business, operations and financial condition.

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

12. Our Income and sales are subject to seasonal fluctuation and lower income in a peak season may have a disproportionate effect on our result of operation.

Our sales have historically exhibited certain seasonal fluctuations, reflecting higher sales volumes on festivals and other occasions such as Dhanteras, Diwali, Christmas and Akshay Tritiya which occur in the third and fourth quarter of the fiscal year. This period also coincides with the wedding season in India. While we stock certain inventory to account for this seasonality, our fixed costs such as lease rentals, employee salaries, showroom operating costs workshop and logistics-related expenses, which form a significant portion of operating costs, are relatively constant throughout the year. Consequently, lower than expected net sales during the third or fourth quarters of the fiscal year or more pronounced seasonal variations in sales in the future could have a disproportionate impact on our operating results for the fiscal year, or could strain our resources and impair our cash flows. Any slowdown in demand

for our jewellery during peak seasons or failure by us to accurately anticipate and prepare for such seasonal fluctuations could have a material adverse effect on our business, financial condition and results of operations

13. ***Demand for our product is subject to rapid and unpredictable changes in fashion trends and consumer preferences, and our inability to anticipated and address such changes may adversely affects our business prospects, results of operations and financial condition.***

The Gems and Jewellery industry, like other luxury retail industries, is subject to rapid and unpredictable changes in fashion trends and customer preferences. Customer preferences for jewellery designs and types may vary significantly from region to region in India and in each of our international markets. Furthermore, the increasing popularity of branded jewellery merchandise may adversely impact our business prospects and revenues if we are unable to successfully design, manufacture and market branded jewellery. In addition, the availability and consumer acceptance of alternate metals such as cubic, zirconia, moissanite or laboratory-created diamonds or a shift in customer preference to other luxury products may also adversely affect our business. Our inability to anticipate, identify and react appropriately or in a timely manner to customer preferences, or failure to develop and implement customer oriented sales policies that influence customer purchase decisions, could result in a decrease in consumer acceptance of our products, a diminished brand image and market share, which could result in lower profits. These changes can adversely affect our business prospects, results of operations and financial condition

14. ***Volatility in the market price of diamonds and jewellery has a bearing on the value of our inventory and may affect our income, profitability and scale of operation.***

The Gems and Jewellery industry generally is affected by fluctuations in the price and supply of, diamonds. Diamonds prices have been volatile in the recent past, although, there has been an increased investment demand for diamonds globally. Fluctuations in diamond prices may affect consumer demand as well as operating costs of our Company. An increase in the price of diamond may result in an increase in our income from sales assuming such increases do not adversely affect sales volumes. However, a significant increase in the price of diamond or a negative outlook on future diamond prices could, in the short term, adversely affect our sales volumes. Any such fluctuation in the price of diamond or other raw materials may materially and adversely affect our revenue from operations and profitability

15. ***Negative Publicity with respect to our products or the industry in which we operate could adversely affect our business, financial condition and results of operations.***

Our business is dependent on the trust that our customers have in the quality of our merchandize. Any negative publicity regarding our Company, our products or Gems and Jewellery industry generally could adversely affect our reputation and our results of operations. Customer preferences could be affected by a variety of issues including non-acceptance of diamonds from specific regions, non-promotion of jewellery by the fashion industry, and a decrease in the perceived value and customer satisfaction of the jewellery compared to its price.

16. ***Conflicts of interest may arise out of common business object shared by our company, our Promoters and various members of our Promoters Group.***

Our Company has acquired the proprietary Firm of our promoter, Sagar Gems, in order to corporatize the business. Sagar Gems has been run by our promoter Mr. Vaibhav Dipak Shah since its incorporation. Our company and the promoter has entered into a Business Transfer Agreement on April 25, 2017 to acquire and carrying out the business of manufacturing and trading of diamonds, precious stones, gold, silver etc. into the company of Sagar Gems and run the same into the company. After the acquisition, Sagar Gems will be carried out the sale activity for next 9 months from the date of agreement and entire sale will be reimbursed to our company. Our Promoter has interests in this entity that may compete with us. As a result, conflicts of interest may arise in allocating or addressing business opportunities and strategies among our Company and our Promoter and Sagar Gems in circumstances where our interests differ from theirs. There can be no assurance that our 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. For the financial performance of Sagar Gems please refer to sections titled "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" beginning on page 178 respectively of this Red Herring Prospectus.

17. ***Our Promoters 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 promoters 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 Promoters and our Promoter Group. Upon completion of the Issue, our Promoters and Promoter Group will own 92,62,780 Equity Shares, or 73.26% of our post-Issue Equity Share capital (assuming full subscription of the Issue). Accordingly, our Promoters 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 Promoters 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 Promoters and Promoter Group will act to resolve any conflicts of interest in our Company's or your favour.

18. ***We are exposed to foreign currency exchange rate fluctuations, which may have an adverse effect on our business, financial condition, results of operations and prospects.***

Our financial statements are presented in Indian Rupees. However, certain components of our revenue are denominated in foreign currency and influenced by foreign exchange rate fluctuations. In Fiscal 2017, foreign currency-linked revenue comprised majority of our total revenues. A substantial proportion of our foreign currency revenues are denominated in US $. The exchange rates between the Indian Rupee and these currencies, have fluctuated significantly in the past and our results of operations and cash flows have been impacted and may in the future be impacted by such fluctuations.

19. ***If we fail to anticipated, identify or react appropriately or in the timely manner to trend in the Gems & Jewellery industry, we could experience reduced consumer acceptance of our products, acceptance of our products, a diminished brand image, higher, breakdowns and costs to recast overstocked diamonds.***

Although our in-house design team has helped us to maintain a portfolio of designs, we cannot assure that we will always be able to consistently keep up with industry trends. If we fail to anticipate, identify or react appropriately or in a timely manner to customer buying decisions, we could experience reduced consumer acceptance of our products, a diminished brand image, higher markdowns and costs to recast overstocked jewellery. These factors could result in lower selling prices and sales volumes for our products, which could adversely affect our financial condition and results of operations.

20. ***Qualification/ modifications/emphasis of Matters in the Auditors' report which do not require any corrective adjustments in the Restated Standalone Summary Financial Information.***

The Statutory Auditor in their report dated July 03, 2017 for the period ended June 20, 2017 and the report dated April 08, 2017 for the FY ended March 31, 2017 has qualified their opinion. The basis for qualification has been reproduced below:

"As per Accounting Standard- 15 (Employee Benefits) issued by the Institute of Chartered Accountants of India, Company is required to assess its gratuity liability each year on the basis of actuarial valuation and make provision for gratuity liability. However, company has not provided for gratuity liability in the financial statement and has not taken any actuarial valuation report. So same have been not provided in financial statements."

21. If we fail to manage growth effectively it could have an adverse effect on our results of operations

We believe our expansion plans will place significant demands on our managerial, operational and financial resources. Growth in our business would require us to expand, train and manage our employee base. The expansion of our Company could also cause problems related to our operational and financial systems and controls and could cause us to encounter working capital issues, as we will need increased liquidity to finance the purchase of inventory, establishment of new showrooms and the hiring of additional employees. If we fail to manage our growth effectively it may lead to operational and financial inefficiencies that would have a negative effect on our results of operations

22. The operations of our Company are subject to manufacturing risk and may be disrupted by failure in the facilities.

Our Company is subject to operating risks associated with jewellery manufacturing. Our manufacturing facilities are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, loss of services of our external contractors, earthquakes, other natural disasters and industrial accidents. Our manufacturing facilities are also subject to operating risk arising from compliance with the directives of relevant government authorities. Operating risks may result in personal injury and property damage and in the imposition of civil and criminal penalties. The occurrence of any of these events could have a material adverse effect on our business, financial condition and results of operations.

23. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures and the terms of our financial arrangements.

Our Company has not paid any dividends in the last four Fiscal years. The declaration of dividends in the future will be recommended by our Board of Directors, at its sole discretion, and will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. There can be no assurance that we will pay dividends in the future. Additionally, we are restricted by the terms of our debt financing from making dividend payments in the event we default in any of the debt repayment installments

24. We have experienced negative cash flows in previous years. Any operating losses or negative cash flows in the future could adversely affect our results of operations and financial conditions

The details of Cash flows of our company are as follows:

Particulars	For the period ended	For the year ended (` in Lakhs)	
	June 20, 2017	31.03.2017	31.03.2016
Net Cash Generated from Operating Activities	(53.23)	6.04	(0.16)
Net Cash from Investing Activities	(2072.08)	(25.09)	-
Net Cash from Financing Activities	2126.46	18.90	1.00

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 to make new investments without raising finance from external resources. Any operating losses or negative cash flows could adversely affect our results of operations and financial conditions. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

25. Our Company does not own the registered office and Factory from which it operates. Any dispute in relation to lease of our premises would have an adverse effect on our business and results of operations.

We do not own the registered office and Factory from which we operate. The said office and Factory is taken on lease and in case of non-renewal or termination of such lease deed or renewal on such terms and conditions that are unfavourable to our Company, we may suffer disruption in our Operations which may adversely affect our financial conditions. Also, the corporate office is in leave and license arrangement in the name of the Promoter which is not registered. For further details regarding our registered office, please refer to the Section titled **"**Our Business" on page 93 of this Red Herring Prospectus**.** Any dispute arise in future may affect our business relation and our results of operation.

Any failure to renew the said agreement could force us to procure new premises, including substantial time and cost of relocation or procure new premises. In addition, we may not be able to identify satisfactory new premises or may have to incur substantial additional costs towards those premises. Any of the aforesaid could have an adverse effect on our business, results of operation and financial condition.

26. Insurance coverage not obtained by us against unforeseen losses.

Our Company has not maintained insurance coverage in accordance with industry standards. In case of any unforeseen damage or loss suffered by us will affect the business adversely and could adversely affect our financial condition, cash flows and results of operations.

27. Our Company has allotted Equity Shares during the preceding one (1) year from the date of this Red Herring Prospectus which is lower than the Issue Price.

In the last 12 (twelve) months, we have issued and allotted certain equity shares at a price lower than the Issue Price which is as follows:

- Bonus issue in the ratio of 33:1 dated April 24, 2017 issued 3,30,000 Equity shares face value Rs.10/- per Equity Share for consideration other than cash.
- Issue of 59,21,860 Share to Mr. Vaibhav Dipak Shah for settlement of consideration of the business purchase of Sagar gems vide agreement dated April 25, 2017 having face value of ₹ 10 at a price of 10.

The Equity Shares allotted to investors pursuant to this Issue is being priced significantly higher due to various reasons including better performance by the Company, better economic conditions and passage of time. For Further details of equity shares issued, please refer to the chapter titled ***"Capital Structure"*** beginning on page 51 of this Red Herring Prospectus.

28. Insufficient cash flows to meet required working capital requirements could adversely affect our Company's operations and financial results

The business of our Company requires a significant amount of working capital to finance the payments for Man-power, day to day Expenses, purchase of Gold, Diamonds, Silver and acquisition of equipment/vehicles. The working capital requirements of our Company are also affected by the credit lines that our Company extends to its customers, in line with industry practice. Moreover, our Company may need to raise term loans and working capital loans in the future to meet its capital expenditure and to satisfy its working capital requirements. There can be no assurance that our Company will continue to be successful in arranging adequate working capital and term loans for its existing or expanded operations on acceptable terms or at all, which could adversely affect our Company's operations and financial results.

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

Our business requires significant amount of working capital and major portion of our working capital is utilized towards debtors and inventories. We have not been sanctioned any working capital and funding the same through the internal sources only. 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.

Further, as per the agreement entered between Mr. Vaibhav Dipak Shah and Company, if Mr. Vaibhav Dipak Shah fails to realize the debtors of ₹ 81,49,54,940, the same loss has to be bear by the company which will affect the business and we may not be able to maintain our Sales and Services level and thus adversely affecting our financial health.

30. We are dependent on our Directors and key managerial personnel of our Company for success whose loss could seriously impair the ability to continue to manage and expand business efficiently

Our Directors and key managerial personnel collectively have vast experience in the industry and are difficult to replace. They provide expertise, which enables us to make well informed decisions in relation to our business and our prospects. Our success largely depends on the continued services and performance of our management and other key personnel. The loss of service of our Directors and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. Also, the loss of any of the management or other key personnel may adversely affect the operations, finances and profitability of our Company. Any failure or inability of our Company to efficiently retain and manage its human resources would adversely affect our ability expand our business.

Further, our future performance will depend upon the skills, efforts, expertise, and continued services of these persons and our ability to attract and retain qualified senior and mid-level managers. The loss of their services or those of any other members of management could impair our ability to implement our strategy and may have a material adverse effect on our business, financial condition and results of operations. For further details of our Directors and key managerial personnel, please refer to section titled "Our Management" beginning on page 117 of this Red Herring Prospectus.

31. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised, and may be subject to change based on various factors, some of which are beyond our control.

Our funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions, and have not been appraised by any bank or financial institution or another independent agency. Furthermore, in the absence of such independent appraisal, our funding requirements may be subject to change based on various factors which are beyond our control. For further details, please see the section titled "Objects of the Issue" beginning on page 71 of this Red Herring Prospectus.

32. Third party industry and statistical data in this Red Herring Prospectus may be incomplete, incorrect or unreliable.

Neither the BRLM nor the Company have independently verified the data obtained from the official and industry publications and other sources referred in this Red Herring Prospectus and therefore, while we believe them to be true, there can be no assurance that they are complete or reliable. Such data may also be produced on different bases from those used in the industry publications we have referenced. The discussion of matters relating to India, its economy and our industry in this Red Herring Prospectus are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and

caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data or report and do not take responsibility for any errors or omissions or for the results obtained from using their data or report. Accordingly, investors should not place undue reliance on, or base their investment decision on this information, please refer to section titled "Our Industry" beginning on page 86 of this Red Herring Prospectus.

33. We may not be able to successfully implement our business strategies.

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

34. We face competition in our business from organized and unorganized players, which may adversely affect our business operation and financial condition.

The market for our services is competitive because both the organized and unorganized players. Players in this industry generally compete on key attributes such as distribution network, skilled man power, pricing and timely delivery and quality of products. Some of our competitors may have longer industry experience and greater financial, technical and other resources, which may enable them to react faster in changing market scenario and remain competitive. Moreover, the unorganized sector Issues their products at highly competitive prices which may not be matched by us and consequently affect our volume of revenue and growth prospects. Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition.

35. Our Restated Financial Statements for the preceding five years as included in this Red Herring Prospectus, have been prepared under IGAAP, which varies in certain respects from other accounting principles, including IND (AS), which may be material to investors' assessment of our results of operations and financial condition

In accordance with India's roadmap for convergence of its existing standards with IFRS, referred to as IND (AS), announced by the MCA, through press notes dated January 22, 2010, read with the Companies (Indian Accounting Standards) Rules, 2015 issued by the MCA on February 16, 2015, effective April 1, 2015, our Company is required to prepare their financial statements in accordance with IND AS for periods beginning on or after April 1, 2017

Pursuant to a SEBI circular dated March 31, 2016, with respect to financial information to be included in any offer document filed with SEBI on or after April 1, 2016 and until March 31, 2017, we have chosen to report our Restated Financial Statements, included in this Red Herring Prospectus under Indian GAAP. In order to comply with requirements applicable to public companies in India, subsequent to our Equity Shares being listed on the Stock Exchanges, we will be required to prepare our annual and interim financial statements under IND (AS), as applicable. IND (AS) is different in many respects from Indian GAAP under which our audited financial statements for statutory reporting purposes under the Companies Act have been prepared until Fiscal 2016. The preparation and presentation of our financial statements after listing may be not be comparable with, or may be substantially different from, the preparation and presentation of the Restated Financial Statements is being disclosed in this Red Herring Prospectus.

IND (AS) differs in significant respects from Indian GAAP. Although we have included a summary of qualitative and quantitative differences between Indian GAAP and IND (AS) in this Red Herring Prospectus, under "Significant Differences between Indian GAAP and IND (AS)", on page 140 [IN, our financial statements reported under IND (AS) in future accounting periods may not be directly comparable with our financial statements historically prepared under Indian GAAP, including those disclosed in this Red Herring Prospectus.

Accordingly, the degree to which the Restated Financial Statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of

familiarity with Indian accounting practices, Indian GAAP, the Companies Act and SEBI ICDR Regulations. Any reliance by a reader not familiar with Indian accounting practices and applicable laws on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited. Further, our Restated Financial Statements included in this Red Herring Prospectus may not form an accurate basis to consider the accounting policies and financial statements adopted by our Company for future periods, which may differ materially from our Restated Financial Statements. We urge you to consult your own advisors regarding differences between Indian GAAP and other accounting policies and the impact of such differences on our financial data, including the impact of our transition to, and adoption of IND (AS), for accounting periods commencing on or after April 1, 2016.

EXTERNAL RISKS

36. Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, change in regulatory framework, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism.

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

Our Company is subject to various regulations and policies. For details see section titled "Key Industry Regulations and Policies" beginning on page 105 of this Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse effect on our business, financial condition and results of operations.

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

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

39. Our 100% Revenue is not derived from business in India and a decrease in economic growth in India could cause our business to suffer.

We do not derive 100% of our revenue from our operations in India rather we derive our major revenue from outside India and, consequently, our performance and the quality and growth of our business are dependent on the health of the economy of India. However, the Indian economy may be adversely affected by factors such as adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities or interest rates changes, which may also affect the microfinance industry. Any such factor may contribute to a decrease in economic growth in India which could adversely impact our business and financial performance.

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

Prior to this Issue, there has been no public market for our Equity Shares. Our Company and the Book Running Lead Manager have appointed Gretex Share Broking Private Limited (Formerly known as Sherwood Securities Private Limited) & NNM Securities Private Limited as Designated Market maker

for the equity shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets and Finance industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnership, joint ventures, or capital commitments.

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

The Issue Price of our Equity Shares shall be determined by Book building method. This price is be based on numerous factors (For further information, please refer chapter titled *"Basis for Issue Price"* beginning on page 79 of this Prospectus) and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation. The following:

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

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

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

43. Civil unrest, acts of violence including terrorism or war involving India and other countries could materially and adversely affect the financial markets and our business.

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Terrorist attacks and other acts of violence may adversely affect the Indian stock markets, where our Equity Shares will trade, and the global equity markets generally.

44. The proposed adoption of IFRS could result in our financial condition and results of operations appearing materially different than under Indian GAAP.

Public companies in India, including us, may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for the adoption of, and convergence with, IFRS announced by the Ministry of Corporate Affairs, GoI (MCA), through a press note dated January 22, 2010. 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. The MCA is expected to announce the date of implementation of the converged

accounting standards at a later date. Our financial condition, results of operations, cash flows or changes in shareholders' equity may appear materially different under IFRS than under Indian GAAP. This may have a material adverse effect on the amount of income recognized during that period and in the corresponding period in the comparative fiscal year/period. In addition, in our transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, our transition may be hampered by increasing competition and increased costs for the relatively small number of IFRS-experienced accounting personnel available as more Indian companies begin to prepare IFRS financial statements.

45. Economic developments and volatility in securities markets in other countries may cause the price of the Equity Shares to decline.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investor's reactions to developments in one country may have adverse effects on the market price of securities of companies situated in other countries, including India. For instance, the recent financial crisis in the United States and European countries lead to a global financial and economic crisis that adversely affected the market prices in the securities markets around the world, including Indian securities markets. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. The Indian stock exchanges have experienced temporary exchange closures, broker defaults, settlement delays and strikes by brokerage firm employees. In addition, the governing bodies of the Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time, disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

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

A majority of the provisions and rules under the Companies Act, 2013 have recently been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital, disclosures in prospectus, corporate governance norms, audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. To ensure compliance with the requirements of the Companies Act, 2013, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention.

47. 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

48. The nationalized goods and services tax (GST) regimes implemented by the Government of India have impact on our operations

The Government of India has from July 01, 2017 has implemented the Goods and Service Tax a comprehensive national goods and service tax (GST) regime that combines taxes and levies by the Central and State Governments into a unified rate structure. The GST imposed on the diamond industry is 5% as compare the NIL from Gujarat VAT. Since we are an SEZ unit and majorly engaged in Export Activities, the same is not affecting us significantly.

49. 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 Prospectus

While facts and other statistics in the Prospectus relating to India, the Indian economy and the transformers, cables and wire industry has been based on various government publications and reports from government agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled *"Our Industry"* beginning on page 86 of the Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere

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

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

51. Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.

Global economic, social and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices

52. Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection / tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all

53. The extent and reliability of Indian infrastructure could adversely affect our Company's results of operations and financial condition

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

54. Any downgrading of India's sovereign rating by an independent agency may harm our ability to raise financing

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares

55. Natural calamities could have a negative impact on the Indian economy and cause our Company's business to suffer

India has experienced natural calamities such as earthquakes, tsunami, floods etc. in recent years. The extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

Prominent Notes to Risk Factors

1. Public Issue of 33,81,000 equity shares of face value ₹10 each of Sagar Diamonds Limited for cash at a price of ₹ [●] per Equity Share (the "***Issue Price***"), including a share premium of ₹ [●] per equity share aggregating up to ₹ [●] Lakh.

2. The Net Asset Value per Equity Share of our Company as per the Restated Financial Information as of March 31, 2017 is ₹ 355.02 (pre bonus) per share and ₹ 24.16 per share (Post Bonus) and as on June 20, 2017 is ₹ 24.16 per share (Pre Bonus) and ₹ 23.30 per share (Post Bonus). For further details, please refer to section titled "Financial Statements" beginning on page 140 of this Red Herring Prospectus.

3. The Net Worth of our Company as per the Restated Financial Information as of March 31, 2017 is ₹ 35.50 Lakhs and as on June 20, 2017 is ₹ 2158.17 Lakhs. For further details, please refer to the section titled "Financial Statements" beginning on page 140 of this Red Herring Prospectus.

4. The average cost of acquisition per Equity Share of our Promoters is set out below:

Sr. No.	Name of the Promoters	No. of Equity Share held	Average price per Equity Share (₹)
1.	SG Diamonds LLP	30,01,260	49.99
2.	Mr. Vaibhav Dipak Shah	62,27,860	9.52

For further details, please refer to section titled "Capital Structure" beginning on page 51 of this Red Herring Prospectus.

5. There has been no change of name of our Company at any time during the last three (3) years immediately preceding the date of filing Red Herring Prospectus.

6. There has been no financing arrangement whereby our Directors, or any of their respective relatives have financed the purchase by any other person of securities of our Company during the six (6) months

preceding the date of this Red Herring Prospectus.

7. The details of transactions of our Company with related parties, nature of transactions and the cumulative value of transactions please refer to section titled "Financial Information - Annexure 37 - Related Party Transactions" beginning on page 158 of this Red Herring Prospectus.

8. Except as stated under the section titled "Capital Structure" beginning on page 51 of this Red Herring Prospectus, our Company has not issued any Equity Shares for consideration other than cash.

9. For information on changes in the Company's name and Objects Clause of the Memorandum of Association of our Company, please refer to the section titled "History and Certain Corporate Matters" beginning on page 113 of this Red Herring Prospectus.

10. Except as disclosed in the sections titled "Capital Structure", "Our Promoters and Promoter Group", "Group Entities of our Company" and "Our Management" beginning on pages 51, 132, 137 and 117 respectively of this Red Herring Prospectus, none of our Promoters, Directors or Key Managerial Personnel has any interest in our Company.

SUMMARY OF INDUSTRY

Introduction

The Gems and Jewellery sector plays a significant role in the Indian economy, contributing around 6-7 per cent of the country's GDP. One of the fastest growing sectors, it is extremely export oriented and labour intensive.

Based on its potential for growth and value addition, the Government of India has declared the Gems and Jewellery sector as a focus area for export promotion. The Government has recently undertaken various measures to promote investments and to upgrade technology and skills to promote 'Brand India' in the international market.

The Indian Gems and Jewellery industry has gained popularity worldwide because of its talented craftsmen and its superior practices in cutting and polishing fine diamonds and precious stones. The market in India is expected to grow at a compound annual growth rate of 16% over the period 2014-19 according to an industry report. India is deemed to be the hub of the global jewellery market because of its low costs and availability of high-skilled labour. The Industry currently employs around 4.5 million skilled and semi-skilled workers across India and is expected to provide employment opportunities to more than 8.23 million persons by 2022.

India's gems and jewellery exports jumped by 8.95 per cent for financial year 2016-17 on recovery in demand from the United States (US), Hong Kong and the United Arab Emirates (UAE), the three destinations accounting for over 75 per cent of India's overall shipment of precious ornaments by value.

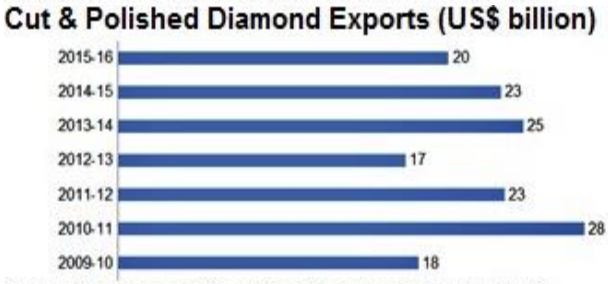
India is the world's largest cutting and polishing centre for diamonds, with the cutting and polishing industry being well supported by government policies. Moreover, India exports 95 per cent of the world's diamonds, as per statistics from the Gems and Jewellery Export promotion Council (GJEPC). India's Gems and Jewellery sector has been contributing in a big way to the country's foreign exchange earnings (FEEs). The Government of India has viewed the sector as a thrust area for export promotion. The Indian government presently allows 100 per cent Foreign Direct Investment (FDI) in the sector through the automatic route.

- Net Gems and Jewellery exports for 2015-16 was to the tune of US$ 32 bn as compared to US$ 36.2 bn in 2014-15
- In terms of segments, exports for 2015-16 were as follows: Cut and polished diamonds: US $ 20 bn, Gold Medallions and coins: US$ 5.2 bn, Silver Jewellery: US$ 3 bn
- The falls in exports have been due to slowdown in global economy and lack of demand for luxury good.
- The export performance for current year is also expected to be under pressure, though improvement of business sentiment would exist in America, which is the world's largest consumer ; as well as 50 per cent of India's diamond jewellery production
- Indian Gems and Jewellery industry is one of the largest in the world with a share of 29% in global jewellery consumption
- India is the world's largest cutting and polishing centre for diamonds
- With an 8% share, India has become the world's third largest diamond consumer
- India is the largest consumer of gold, accounting for nearly 29% of the total world gold consumption
- Establishing 'Diamond Bourses' to make India a international trading hub
- Gold jewellery forms around 80% of the Indian jewellery market
- There are more than 3,00,000 Gems & Jewellery players across the country, with majority being small players

- Increasing base of consumers as well as growth of HNIs that will contribute to the continued fast pace growth of organized jewellery retail in India

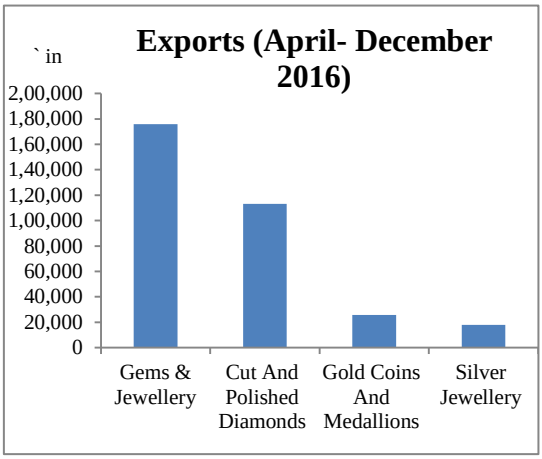
- It provides employment to nearly 2.5 million people with the potential to generate employment of 0.7 to 1.5 million over the next five years

Source: Gem and Jewellery Export Promotion Council (GJEPC)



Source: Gem and Jewellery Export Promotion Council (GJEPC)

Source: *Vibrant Gujarat 8th Global Summit & IBEF Gems & Jewelry Industry India.*



Market size

The gems and jewellery market in India is home to more than 500,000 players, with the majority being small players.

India is one of the largest exporters of gems and jewellery and the industry is considered to play a vital role in the Indian economy as it contributes a major chunk to the total foreign reserves of the country. UAE, US, Russia, Singapore, Hong Kong, Latin America and China are the biggest importers of Indian jewellery. India's gems and jewellery exports to the US rose 7.81 per cent year-on-year during October-December 2016 due to a revival in the overall economic activity in the US.

The overall net exports of Gems & Jewellery during April-December 2016 stood at Rs 175,879.24 crore (US$ 26.28 billion), whereas exports of cut and polished diamonds stood at Rs 113,171.17 crore (US$ 16.91 billion). Exports of gold coins and medallions stood at Rs 25,819.48 crore (US$ 3.86 billion) and silver jewellery export stood at Rs 18,010.72 crore (US$ 2.69 billion) during April-December 2016. According to GJEPC, gems and jewellery exports are likely to witness a growth of about 10 per cent this fiscal due to increasing demand in the US and Europe.

According to a report by Research and Markets, the jewellery market in India is expected to grow at a Compound Annual Growth Rate (CAGR) of 15.95 per cent over the period 2014-2019.

Investments/Developments

The Gems and Jewellery sector is witnessing changes in consumer preferences due to adoption of western lifestyle. Consumers are demanding new designs and varieties in jewellery, and branded jewellers are able to fulfil their changing demands better than the local unorganised players. Moreover, increase in per capita income has led to an increase in sales of jewellery, as jewellery is a status symbol in India.

SUMMARY OF OUR BUSINESS

We are engaged in manufacturing and exporting of rough and polished diamonds procured from the trusted and certified suppliers and in jewelry making. We are also involved in trading of diamond and processing by trained and qualified workers on job work basis. Our product range includes rings, chain, mangalsutra, earrings and necklaces, which are carefully handcrafted by skilled artisans.

We have our manufacturing facility at our factory unit located in Sachin (S.E.Z), Gujarat having a total area of approximately 1,000 sq. ft. As on March 31, 2017, this facility had a capacity of Gold and Silver Jewellery of 35,000 gram per month. In the month of July 2017, the Company have consumed 1,000 gram of Silver and 28 gram of Gold. This facility for manufacturing of Diamonds Jewellery have been recognized for its quality Management System with ISO 9001:2015 vide certificate issued on July 13, 2017.

We are promoted by Mr. Vaibhav Dipak Shah and SG Diamonds LLP. Mr. Shah started working in a local diamond shop where he learned the basics of diamond and decided further to plunge deep in the world of perpetual sparkle.

The subsequent chapter was Surat, which is the major hub for diamond cutting and polishing. He started his own venture in May 2010 as proprietary firm.

Our Promoter and Director, Mr. Vaibhav Dipak Shah, was doing the business since 2010 of Manufacturing and trading of Diamonds, gold, precious stones etc. On April 25, 2017, through a Business Transfer Agreement, Sagar Gems has been acquired by Sagar Diamonds Limited, a company also promoted by Mr. Vaibhav Dipak Shah, through Business Transfer Agreement entered between Sagar gems a proprietary firm of Mr. Vaibhav Dipak Shah and Sagar Diamonds Limited in a view of corporatization of their business.

We believe that we carry out extensive quality checks and source our diamonds from reliable and recognized suppliers to maintain the standard and quality of diamonds. We are providing quality that ensures customer satisfaction. We believe that we have long-term and stable relationships developed over the years with our key suppliers and our key customers although we do not have formal contracts.

We are always committed to fulfill the requirements of our clientele according to their needs. In order to meet these requirements, we have adapted to ISO 9001:2015 by Quality council of international certification UK by International Accreditation Bureau.

We have independent sales and distribution networks for our products. A substantial majority of our cut and polished diamonds are exported to diamond wholesalers and the jewellery manufacturers in the export markets. We procure diamond from suppliers at domestic and international market depending upon the needs and requirement and we believe that we have good business association with suppliers. All purchase are made through the unit in Sachin SEZ.

Our revenue from operation has increased from NIL to ₹ 9,99,89,350 in Fiscal 2017 as compared to Fiscal 2016 and further in the period ended June 20, 2017, the revenue from operations is ₹ 10,28,55,678. Our Company has made profit after tax of ₹ 34,01,970 in Fiscal 2017 from (5,750) in Fiscal 2016. Further our company, in the period ended June 20, 2017, made profit after tax ₹ 29,49,697.

RECOGNITIONS & AFFILIATIONS

ISO 9001:2015 – our company's quality management system has been certified vide certificate dated July 13, 2017 bearing certificate no. QC17MOY7576 and has been recognized in trade, manufacture, import & export, exhibit or deal in, undertake process in gold, silver, diamonds, rough diamonds, industrial diamonds, precious diamonds, precious and semiprecious stones.

Sagar Gems has obtained registration cum membership certificate as Merchant exporter from the Gem & jewelry export promotional council bearing IEC Number 5210004937 and the company in the process of updating the same in the name of the company.

ORDER BOOK

Our order book consists of following from Diamond Vision Limited from Hong Kong as on the date of this Red Herring Prospectus:

1. Dated June 01, 2017 consists of 5 PCS, Pendent and 9 PCS, Ring (cut and polished diamond studded jewellery.
2. Dated June 02, 2017 consists of 28 PCS, pendent and 114 PCS, Ring (cut and polished diamond studded jewellery.
3. Dated July 03, 2017 consists of 156 PCS, pendent and 3 PCS, Ring (cut and polished diamond studded jewellery

LOCATION

Registered office / Factory Location	Unit No.101, Plot 193, Surat Special Economic Zone, Sachin, Surat – 394230, Gujarat
Corporate Office	304, Prasad Chambers, Opera House, Mumbai 400 004, Maharashtra

Our Product Portfolio:

1. Diamonds:

We are currently engaged in the business of manufacturing and trading of diamonds. Currently we trade in the diamond sector.

2. Jewellery:

We are also engaged in the business of jewellery making and marketing. We sell a wide range of jewellery products including cut and polished diamond studded jewellery to diverse customer segments, from the value market to high-end customized jewellery. Our product profile for jewellery is explained below:

- Rings
- Earrings
- Pendants
- Mangalsutra

SUMMARY OF FINANCIAL INFORMATION

Summary of Statement of Assets and Liabilities as Restated

Annexure - 1

(Amt. in Rs.)

	Particulars	Note No.	As at 20th June 2017	As at 31st March 2017	As at 31st March 2016
I.	**EQUITY AND LIABILITIES**				
1	**Shareholders' funds**				
	(a) Share capital	2	9,26,27,800.00	1,00,000.00	1,00,000.00
	(b) Reserves and surplus	3	12,31,89,702.51	34,50,222.75	(21,750.00)
2	**Non-current liabilities**				
	(a) Long-term borrowings	4	19,84,000.00	18,95,000.00	-
	(b) Deferred tax liabilities (Net)		9,072.74	-	-
	(c) Other Long-term Liabilities	5	-	-	-
	(d) Long-term Provisions	6	-	-	-
3	**Current liabilities**				
	(a) Short-term borrowings	7	-	-	-
	(b) Trade payables	8	19,38,49,625.00	9,49,43,750.00	
	(c) Other current liabilities	9	60,000.00	20,000.00	5,750.00
	(d) Short-term provisions	10	28,79,660.00	15,39,858.00	-
	TOTAL		**41,45,99,860.25**	**10,19,48,830.75**	**84,000.00**
II.	**ASSETS**				
1	**Non-current assets**				
	(a) Fix Assets	11			
	(i) Property Plant and Equipment		51,98,225.25	25,08,626.00	-
	(ii) Intangible Assets		-	-	-
	(iii) Intangible Assets under development		-	-	-
	(iv) Capital Work in Progress		-		-
	(b) Non Current Investments	12	-	-	-
	(c) Deffered Tax Assets (Net)		-	6,720.75	-
	(d) Long-term loans and advances	13	19,74,13,042.00	-	-
	(e) Other Non Current Assets	14	70,43,200.00	-	-
2	**Current assets**				
	(a) Current Investments	15	-	-	-
	(b) Inventories	16	26,90,646.00	-	-
	(c) Trade receivables	17	20,20,70,263.00	9,93,64,350.00	-
	(d) Cash and cash equivalents	18	1,84,484.00	69,134.00	84,000.00
	(e) Short-term loans and advances	19	-	-	-
	(f) Other Current Assets	20	-	-	-
	TOTAL		**41,45,99,860.25**	**10,19,48,830.75**	**84,000.00**

Accounting Policies & Notes on Accounts **1**

As per our Report on Even date attached

For Doshi Maru & Associates

Chartered Accountants
Sarvesh A Gohil
Partner
M. No. 135782
FRN No. 112187W
Place : Jamnagar
Date : July 11, 2017

For and on behalf of the Board of Directors of Sagar Diamonds Limited

Vaibhav Dipak Shah (Managing Director) (DIN : 03302936)

Rahil Hiteshbhai Chovatia (Director) (DIN: 07808004)

Sachin Ashok Dhobale Chief Financial Officer

Kaushik Haribhai Vegad Company Secretary

SAGAR DIAMONDS LIMITED
Summary of Statement of Profit and Loss account as Restated

Annexure-2

	Particulars	Note No.	For the period ended on 20th June 2017	For the year ended 31 March 2017	For the year ended 31 March 2016
I.	Revenue from operations	22	10,28,55,678.00	9,99,89,350.00	-
II.	Other income	23	16,41,052.00	-	-
III.	**Total Revenue (I + II)**		**10,44,96,730.00**	**9,99,89,350.00**	**-**
IV.	Expenses:				
	Cost of materials consumed	24	-	-	-
	Purchases of Stock-in-Trade	25	10,07,08,640.00	9,49,43,750.00	-
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	26	(26,90,646.00)	-	-
	Employee benefits expense	27	1,32,922.00	6,573.00	-
	Finance costs	28	7,676.00	5,361.00	-
	Depreciation and amortization expense	29	44,365.38	-	-
	Other expenses	30	19,35,498.00	28,556.00	21,750.00
	Total expenses		**10,01,38,455.38**	**9,49,84,240.00**	**21,750.00**
V.	**Profit before exceptional and extraordinary items and tax (III-IV)**		**43,58,274.62**	**50,05,110.00**	**(21,750.00)**
VI	Exceptional Items	**31**	-	-	-
VII	**Profit before extraordinary items and tax (V-VI)**		**43,58,274.62**	**50,05,110.00**	**(21,750.00)**
VIII	Extraordinary items	**32**	-	-	-
IX	**Profit before tax (VII-VIII)**		**43,58,274.62**	**50,05,110.00**	**(21,750.00)**
X	Tax expense:				
	(1) Current tax		13,39,802.00	15,39,858.00	-
	(2) Deferred tax		15,793.49	(6,720.75)	-
	(3) Less :- MAT Credit Entitlement		-	-	-
XI	**Profit/(loss) for the period from Continuing operations(VII-VII)**		**30,02,679.13**	**34,71,972.75**	**(21,750.00)**
XII	Profit/(loss) from Discontinuing operations		-	-	-
XIII	**Tax Expense of Discontinuing operations**		-	-	-
XIV	**Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)**		-	-	-
XV	**Profit (Loss) for the period (XI + XIV)**		**30,02,679.13**	**34,71,972.75**	**(21,750.00)**
VIII	**Earnings per equity share:**				
	(1) Basic		-	-	-
	(2) Diluted		-	-	-

Accounting Policies & Notes on Accounts **1**

As per our Report on Even date attached
For Doshi Maru & Associates
Chartered Accountants

Sarvesh A Gohil
Partner
M. No. 135782
FRN No. 112187W
Place : Jamnagar
Date : July 11, 2017

For and on behalf of the Board of Directors of Sagar Diamonds Limited

Vaibhav Dipak Shah — **(Managing Director)** **(DIN : 03302936)**

Rahil Hiteshbhai Chovatia — **(Director)** **(DIN: 07808004)**

Sachin Ashok Dhobale — **Chief Financial Officer**

Kaushik Haribhai Vegad — **Company Secretary**

SAGAR DIAMONDS LIMITED
Summary of Statement of Cash Flows as Restated

Annexure 3

(Amt. in Rs.)

Particulars	For the period ending on 20.06.2017		For the period ending on31.03.2017		For the period ending on 31.03.16	
	Amount (In Rs.)	Amount (In Rs.)	Amount (In Rs.)	Amount (In Rs.)	Amount (In Rs.)	Amount (In Rs.)
Cash flow from Operating Activities						
Net Profit Before tax as per Statement of Profit & Loss		43,58,274.62		50,05,110.00		(21,750.00)
Adjustments for :						
Per Incorporation expenses written-off	-		-			
Fixed Assets Written-off	17,573.00		-			
Depreciation &Amortisation Exp.	44,365.38		-		-	
Interest Income	-		-		-	
Deducation From Reserve & Surplus (Bonus Share Issue)	(33,00,000.00)		-			
		(32,30,385.62)				
Finance Cost	7,676.00		5,361.00	5,361.00	-	-
Operating Profit before working capital changes		11,27,889.00		50,10,471.00		(21,750.00)
Changes in Working Capital						
Trade receivable	(10,27,05,913.00)		(9,93,64,350.00)		-	
Other Loans and advances receivable	-		-		-	
Inventories	(26,90,646.00)		-		-	
Trade Payables	9,89,05,875.00		9,49,43,750.00		-	
Other Current Assets	-		-		-	
Other Current Liabilities	40,000.00		14,250.00		5,750.00	
Short term Provisions	13,39,802.00	(51,10,882.00)		(44,06,350.00)		5,750.00
Net Cash Flow from Operation		(39,82,993.00)		6,04,121.00		(16,000.00)
Extraordinary items		-		-		
Less : Income Tax paid		(13,39,802.00)		-		
Net Cash Flow from Operating Activities (A)		(53,22,795.00)		6,04,121.00		(16,000.00)
Cash flow from investing Activities						
Purchase of Fixed Assets	(27,51,537.00)		(25,08,626.00)		-	
Movement in Other Non Current Assets	(70,43,200.00)		-		-	
Movement in Loan & Advances	(19,74,13,042.00)		-		-	
Interest Income	-		-		-	
		(20,72,07,779.00)		(25,08,626.00)		-
Net Cash Flow from Investing Activities (B)		(20,72,07,779.00)		(25,08,626.00)		-

Cash Flow From Financing Activities						
-						
Proceeds From Issue of shares capital	21,25,64,600.00		-		1,00,000.00	
Proceeds From long Term Borrowing (Net)	89,000.00		18,95,000.00		-	
Short Term Borrowing (Net)	-		-		-	
Interest Paid	(7,676.00)		(5,361.00)		-	
	-	21,26,45,924.00		18,89,639.00	-	1,00,000.00
Net Cash Flow from Financing Activities (C)		21,26,45,924.00		18,89,639.00		1,00,000.00
Net (Decrease)/ Increase in Cash & Cash Equivalents (A+B+C)		**1,15,350.00**		**(14,866.00)**		**84,000.00**
Opening Cash & Cash Equivalents		69,134.00		84,000.00		-
Cash and cash equivalents at the end of the period		**1,84,484.00**		**69,134.00**		**84,000.00**
Cash And Cash Equivalents Comprise :						
Cash		50,607.00		65,396.00		84,000.00
Bank Balance :						
Current Account		1,33,877.00		3,738.00		
Total		**1,84,484.00**		**69,134.00**		**84,000.00**

For DOSHI MARU & ASSOCIATES
Chartered Accountants

For and on behalf of the Board of Directors of
Sagar Diamonds Limited

	Vaibhav Dipak Shah	**Rahil Hiteshbhai Chovatia**
	(Managing Director)	**(Director)**
Sarvesh A Gohil	**(DIN : 03302936)**	**(DIN: 07808004)**
Partner		
		Kaushik
M.No. 135782	**Sachin Dhobale**	**HaribhaiVegad**
F.R.N. 112187W		
Place: Jamnagar		
Date : July 11, 2017	**Chief Financial Officer**	**Company Secretary**

THE ISSUE

The following is the summary of the Issue.

A. Issue of Equity Shares [(1)]	Upto 33,81,000 Equity Shares of ₹10 each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakh.
***Out of which*:**	
Market Maker Reservation Portion	Upto 1,71,000 Equity Shares of ₹10 each fully paid-up of our Company for cash at a price of ₹ [●]per Equity Share aggregating to ₹ [●]Lakh.
Net Issue to the Public [(3)]	Upto 32,10,000 Equity Shares of ₹10 each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakh.
***Out of which*:**	
Allocation to Retail Individual Investors for upto ₹2.00 lakh	16,05,000 Equity Shares of ₹10 each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakh.
Allocation to other investors for above ₹2.00 lakh	16,05,000 Equity Shares of ₹10 each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakh.
Pre and Post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue	92,62,780 Equity Shares of ₹10 each
Equity Shares outstanding after the Issue	1,26,43,780 Equity Shares of ₹10 each
Objects of the Issue	Please refer to the section titled "*Objects of the Issue"* beginning on page 71 of this Red Herring Prospectus.

1. *This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations through the Book Building method and hence, as per regulation 43, sub regulation (4) of SEBI (ICDR) Regulations, at least 50% of the allocation of Net Issue will be available to Retail category and 50% to other than retail subject to valid Applications being received at the Issue Price. For further details, please refer to section titled "Issue Information" beginning on page 218 of this Red Herring Prospectus.*

2. *The present Issue of 33,81,000 Equity Shares in terms of Red Herring Prospectus has been authorized pursuant to a resolution of our Board of Directors dated July 05, 2017 and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at the Extra-ordinary General Meeting of the members held on July 08, 2017.*

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

GENERAL INFORMATION

Our Company was originally incorporated as Sagar Diamonds Private Limited on July 15, 2015 at Surat, Gujarat as a private limited company under the Companies Act, 2013 with the Registrar of Companies, Ahmedabad. Pursuant to a special resolution passed by the shareholders of the Company at the Extra Ordinary General Meeting held on June 19, 2017, our Company's name was changed to Sagar Diamonds Limited. A fresh certificate of incorporation consequent upon change of name was issued on July 04, 2017 by the Registrar of Companies, Ahmedabad. The Corporate Identification Number of our Company is U36912GJ2015PLC083846. For more details, please refer page no. 113 of the "History and certain corporate matters" of this Red Herring Prospectus. For details of business of our Company, please refer "Our Business" on page no. 93 of this Red Herring Prospectus.

Brief Company and Issue Information	
Registered Office	**Sagar Diamonds Limited** Unit No. 101, Plot No. 193 SEZ Diamond Park, Sachin, Surat - 394230, Gujarat, India **Website:** www.sagardiamonds.com **Email id:** cs@sagardiamonds.com
Factory Office	Unit No.101, Plot 193, Surat Special Economic Zone, Sachin, Surat – 394 230
Corporate Office	304, Prasad Chambers, Opera House, Mumbai 400 004
Date of Incorporation	July 15, 2015
Registration Number	083846
Corporate Identification Number	U36912GJ2015PLC083846
Company Category	Company Limited by Shares
Company Sub Category	Indian Non-Government Company
Address of the Registrar of Companies	**Registrar of Companies, Gujarat** Roc Bhawan,Opp. Rupal Park, Near Ankur Bus Stand, Naranpur, Ahmedabad-380013, Gujarat , India
Designated Stock Exchange	BSE SME PLATFORM Registered Office: 25th Floor P J Towers, Dalal Street Fort, Mumbai-400001
Issue Programme	Issue Opens on: September 14, 2017 Issue Closes on: September 18, 2017
Company Secretary and Compliance Officer	Mr. Kaushik H Vegad Unit No. 101, Plot No. 193, SEZ Diamond Park Sachin, Surat - 394230, Gujarat, India Tel. No: +91 261 2397866 E-mail: cs@sagardiamonds.com
Chief Financial Officer	Mr. Sachin Ashok Dhobale Unit No. 101, Plot No. 193, SEZ Diamond Park Sachin, Surat - 394230, Gujarat, India Tel. No: +91 261 2397866 E-mail: accounts@sagardiamonds.com

BOARD OF DIRECTORS OF OUR COMPANY

Our Company's Board comprises of the following Directors:

Name	Designation	Address	Age	DIN
Mr. Vaibhav Dipak Shah	Managing Director	10/11, Floor-3, Plot-755/3, Blue Gardenia, Dr Gopal Rao Deshmukh Marg, Cumballa Hill, Mumbai - 400026	31	03302936
Mr. Rahil Hiteshbhai Chovatia	Non-Executive Director	A/19, Jaldarshan Flats, Opp. Chamber of Commerce, Ashram road, Navrangpur Ahmedabad 380009, Gujarat, India	22	07808004
Ms. Namrata Dattatray Tembe	Non-Executive Independent Director	196, Alwari house, Room No-4, Khetwadi, 13th Lane Kamabaug Ageri Girgaon Mumbai 400004, Maharashtra	26	07828174
Mr. Shahid Hussain Gulam Nabi Shaikh	Non-Executive Independent Director	A/202, Sunrook Complex, CHS Limited, Hydri Chowk Near Geeta Nagar, Mira Road East Thane 401107 Maharashtra	32	07828171

For further details of the Board of Directors, please refer to the section titled "*Our Management*" beginning on page 117 of this Red Herring Prospectus.

Investors may contact our Company Secretary and Compliance Officer and / or the Registrar to the Offer and / or the Book Running Lead Manager, in case of any pre-offer or post-offer related problems, such as non-receipt of letters of allotment, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer, with a copy to the relevant SCSB to whom the Application was submitted (at ASBA Locations), giving full details such as name, address of the applicant, number of Equity Shares applied for, Amount blocked, ASBA Account number and the Designated Branch of the relevant SCSBs to whom the Application was submitted (at ASBA Locations) where the ASBA Form was submitted by the ASBA Applicants

Details of Key Intermediaries pertaining to this Issue and our Company:

BOOK RUNNING LEAD MANAGER	LEGAL COUNSEL TO THE ISSUE
Gretex Corporate Services Private Limited Office No. 13, 1st Floor, New Bansilal Building, Raja Bahadur Mansion, 9-15, Homi Modi Street, Fort, Mumbai – 400 023 **Tel:** +91–022-4002 5273 **Facsimile**:+91-022–4002 5273 **Website:** www.gretexcorporate.com **Email:** info@gretexgroup.com **Investor Grievance Id:** info@gretexgroup.com **Contact Person:** Mr. Manish Tejwani **SEBI Registration No:** INM000012177	**Kanga & Co.** Readymoney Mansion, 43, Veer Nariman Road, Mumbai – 400 001 **Tel:** +91-022-6623 0000/2288/ 2204 2288 **Facsimile**:+91-022-6633 9656/ 9657 **Email:** chetan.thakkar@kangacompany.com **Website:** www.kangacompany.com **Contact Person:** Mr. Chetan Thakkar

BANKER TO THE ISSUE	REGISTRAR TO THE ISSUE
Kotak Mahindra Bank Limited Kotak Infiniti, 6th Floor, Building No. 21, Infinity Park off, Western Express Highway, General A K Vaidya Marg, Malad East, Mumbai-400097, Maharashtra **Tel. No:** +91-022-66056588 **Email:** cmsipo@kotak.com **Contact Person:** Mr. Prashant Sawant SEBI Registration No. INBI00000927	**Bigshare Services Private Limited** 1st Floor, Bharat Tin works building, Opp. Vasant Oasis, Makwana Road, Andheri East, Mumbai – 400 059 **Tel:** +91 22 626 38200 **Facsimile :**+91 22 626 38299 **CIN:** U99999MH1994PTC076534 **Website:** www.bigshareonline.com **Email:** ipo@bigshareonline.com **Investor Grievance Id:** investor@bigshareonline.com **Contact Person:** Mr. Babu Raphael **SEBI Registration No:** INR000001385
PEER REVIEW AUDITORS*	**STATUTORY AUDITORS**
Doshi Maru & Associates 217,218, Manek Centre, P. N. Marg,Jamnagar – 361001,Gujarat, India. **Tel:** +91 288 2661941 **Fax:** +91 288 2661942 **Email:** doshi.maru@gmail.com **Website:** www.doshimaru.com **Contact Person:** Mr. Shashank P. Doshi **Firm Registration No:** 0112187W **Membership No:** 108456	**Name: VP Agarwal & Co.** 4049, 4th Floor, Trade House, Near Rusabh Petrol Pump, Ring Road, Surat-395 002, Gujarat, India. **Telephone:** 0261 2302175/6662175 **Facsimile:** NA **Email:** vpagarwal.surat@gmail.com **Contact Person:** CA Amit Agarwal **Firm Registration No.:** 128344W **Membership No.:** 152495

**M/s Doshi Maru & Associates are appointed as peer review auditors of our Company in compliance with section IX of part A of Schedule VIII of SEBI (ICDR) and hold a valid peer review certificate No. 007169 dated February 06, 2014 issued by the "Peer Review Board" of the ICAI.*

SYNDICATE MEMBERS

Gretex Share Broking Private Limited
Office No.13, Raja Bahadur Mansion,
New Bansilal Building, 9-15 Homi Modi Street, Fort,
Mumbai-400023, Maharashtra, India
Telephone: 022-40055273
Facsimile: 022-40055273
E-mail: sherwoodpvtltd@yahoo.co.in
Contact Person: Mr.Arvind Harlalka

NNM Securities Private Limited
1111, Stock Exchange Tower, 11th Floor, Dalal Street,
Fort, Mumbai- 400023, Maharashtra, India
Telephone: 022-4079 0011, 4079 0036
Fax: 022-4079 0033
E-mail: support@nnmsecurities.com
Contact Person: Mr. Nikunj Ankilkumar Mittal
SEBI Reg. no.: INB231044638/INF231044638/INE231044638

BANKER TO THE COMPANY

Axis Bank Limited
Digvijay Towers, Opp. ST. Xaviers School,

Ghod Dod Road, Surat-395007, Gujarat, India
Telephone: 0261 4082300
Facsimile: 0261 2664854
E-mail: surat.operationshead@axisbank.com/surat.branchhead@axisbank.com
Website: www.axisbank.com
Contact Person: Mr. Shradhanjali Dash/Mr. Maulik Joshi

STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES

Gretex Corporate Services Private Limited is the sole Book Running Lead Manager to this Issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them and hence a statement of inter-se allocation of responsibilities is not required.

SELF CERTIFIED SYNDICATE BANKS ("SCSBs")

The lists of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (ASBA) Process are provided on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes Syndicate-ASBA. For details on Designated Branches of SCSBs collecting the ASBA Bid Form, please refer to the above-mentioned SEBI link.

BROKER CENTRES/ DESIGNATED CDP LOCATIONS/ DESIGNATED RTA LOCATIONS

BROKERS TO THIS ISSUE

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the Stock Exchange, at BSE Limited at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 as updated from time to time.

REGISTRAR TO ISSUE AND SHARE TRANSFER AGENTS

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

COLLECTING DEPOSITORY PARTICIPANTS

The list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange at BSE Limited, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

CREDIT RATING

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

TRUSTEES

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

DEBENTURE TRUSTEES

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

IPO GRADING

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

MONITORING AGENCY

As per regulation 16(1) of the SEBI ICDR Regulations, the requirement of Monitoring Agency is not mandatory if the Issue size is below ₹10,000 Lakh. Since the Issue size is only of ₹ [●] Lakh, our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

APPRAISING ENTITY

No appraising entity has been appointed in respect of any objects of this Issue.

EXPERT OPINION

Except statement of tax benefits provided by the Statutory Auditor, our Company has not obtained any expert opinion.

Book Building Process

Book building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Issue Price shall be determined by our Company in consultation with the BRLM, in accordance with the Book Building Process, after the Bid / Issue Closing Date. The principal parties involved in the Book Building Process are:

- Our Company;
- The Book Running Lead Manager in this case being Gretex Corporate Services Private Limited, the Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with BSE and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the BRLM;
- The Registrar to the Issue and;
- The Designated Intermediaries

In accordance with the SEBI Regulations, QIBs and Non-Institutional Bidders are not allowed 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 or withdraw their Bids prior to the Bid/issue Closing Date.

We will comply with the SEBI ICDR Regulations and any other ancillary directions issued by SEBI for this Issue. In this regard, we have appointed Gretex Corporate Services Private Limited as the Book Running Lead Manager, respectively to manage the Issue and procure subscriptions to the Issue.

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

For further details on the method and procedure for Bidding, please see section entitled "Issue Procedure" on page 221 of this Red Herring Prospectus.

Illustration of 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 to ₹ 24 per equity share, issue size of [●] 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 centers 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 Amount(₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The issuer, in consultation with the Book Running Lead Manager will finalize the issue price at or below such cut-off price, i.e., at or below ₹ 22.00. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for Bidding:

1) Check eligibility for making a Bid (see section titled —"***Issue Procedure"*** on page 221 of this 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 Depositary 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 the Red Herring Prospectus and in the Bid cum Application Form;

BID / ISSUE PROGRAMME

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

Event	Indicative Date
Bid / Issue Opening Date	September 14, 2017
Bid / Issue Closing Date	September 18, 2017
Finalisation of Basis of Allotment with the Designated Stock Exchange	September 21, 2017
Unblocking of Funds	September 21, 2017
Credit of Equity Shares to demat accounts of Allottees	September 22, 2017
Commencement of trading of the Equity Shares on the Stock Exchange	September 26, 2017

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 Exchange are taken within 6 Working Days of the

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

Bids and revision of Bids, shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (IST) during the Bid/Issue Period as mentioned above at the Bidding centers and designated branches of SCSBs as mentioned in the Bid Cum Application Form. On the Bid/Issue Closing Date, the Bids and any revision in the Bids shall be accepted only between **10.00 a.m. and 3.00 p.m.** (IST) and shall be uploaded until (i) **4.00 p.m.** (IST) in case of Bids by QIB Bidders and Non-Institutional Bidders, and (ii) until **5.00 p.m.** (IST) or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders after taking into account the total number of applications received up to the closure of timings and reported by the BRLM to the Stock Exchanges. It is clarified that Bids not uploaded on the electronic bidding system would be rejected. Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

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

QIBs and Non-Institutional Investors shall neither withdraw nor revise their Bids so as to lower the size of their Bid at any stage after they have Bid for the Issue. QIBs and Non-Institutional Investors may revise their Bids upwards (in terms of quantity of Equity Shares or the Bid Amount) during the Bid/Issue Period. Such upward revision must be made using the Revision Form.

Our Company in consultation with the BRLM, 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 and the Cap Price will be revised accordingly.
In case of revision of the Price Band, the Bid/Issue Period will be extended for at least three additional working days after revision of Price Band subject to the Bid/ Offer 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 Exchange, by issuing a press release and also by indicating the changes on the websites of the Book Running Lead Manager and at the terminals of the Syndicate Member.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid Cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid Cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSBs / Syndicate Member / RTAs / DPs / Stock Brokers, as the case may be, for rectified data.

UNDERWRITING

Our Company and Book Running Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated July 31, 2017 and pursuant to the terms of the underwriting agreement, obligations of the underwriter are subject to certain conditions specified therein. The underwriter has

indicated their intention to underwrite following number of specified securities being offered through this Issue

Name, Address, Telephone, Facsimile, and Email of the Underwriters	Indicated number of Equity Shares to be Underwritten	Amount Underwritten (in Lakh)	% of the total Issue size Underwritten
Gretex Corporate Services Private Limited Office No.13, Raja Bahadur Mansion, New Bansilal Building, 9-15 Homi Modi Street, Fort, Mumbai-400023, Maharashtra, India Tel. No.: 022-40055273 Email:info@gretexgroup.com Website:www.gretexcorporate.com SEBI Registration No:INM000012177	33,81,000	[●]	[●]

In the opinion of the Board of Directors of our Company, the resources of the above mentioned Underwriter are sufficient to enable them to discharge their respective obligations in full.

DETAILS OF MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company and the Book Running Lead Manager has entered into Market Making Agreement dated July 31, 2017 and addendum to Market Making Agreement dated September 04, 2017 with the following Market Makers to fulfil the obligations of Market Making for this Issue:

Name	Gretex Share Broking Private Limited (Formerly known as Sherwood Securities Private Limited)
Address	Office No.13, Raja Bahadur Mansion, New Bansilal Building, 9-15 Homi Modi Street, Fort, Mumbai-400023, Maharashtra, India
Telephone	022-40055273
Facsimile	022-40055273
E-mail	sherwoodpvtltd@yahoo.co.in
Contact Person	Mr.Arvind Harlalka
Market Maker Registration No. (SME Segment of BSE)	INBO11394633

Name	NNM Securities Private Limited
Address	1111, Stock Exchange Tower, 11th Floor, Dalal Street, Fort Mumbai-400023, Maharashtra, India
Telephone	022-4079 0011, 4079 0036
Facsimile	022-4079 0033
E-mail	support@nnmsecurities.com
Contact Person	Mr. Nikunj Ankilkumar Mittal
Market Maker Registration No. (SME Segment of BSE)	INB231044638/INF231044638/INE231044638

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

Gretex Share Broking Private Limited and NNM Securities Private Limited**,** registered with SME segment of BSE 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.

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, as amended from time to time and the circulars issued by the BSE 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(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).

2) The minimum depth of the quote shall be Rs. 1,00,000/-. However, the investors with holdings of value less than Rs. 1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of [•] the minimum lot size is [•] Equity Shares thus minimum depth of the quote shall be [•] until the same, would be revised by BSE.

3) After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our Company reaches to 25% of Issue Size (including the [•] Equity Shares out to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above [•] % Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduce to 24% of Issue Size, the Market Maker will resume providing 2-way quotes.

4) There shall be no exemption / threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, BSE may intimate the same to SEBI after due verification.

5) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.

6) 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. At this stage, Gretex Share Broking Private Limited and NNM Securities Private Limited are acting as the Market Makers.

7) The shares of the company will be traded in continuous trading session from the time and day the company gets listed on SME Platform of BSE and market maker will remain present as per the guidelines mentioned under BSE and SEBI circulars.

8) 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.

9) The Market Maker(s) 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).

10) 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 106V 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. The Market Making Agreement is available for inspection at our Corporate Office from 11.00 a.m. to 5.00 p.m. on working days.

11) BSE SME Exchange will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.

12) BSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and / or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker(s) 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.

13) 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.

14) Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market 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 Rs.20 Crore	25%	24%
Rs 20 to Rs.50 Crore	20%	19%
Rs 50 to Rs.80 Crore	15%	14%
Above Rs80 Crore	12%	11%

CAPITAL STRUCTURE

Our Share capital structure before the Issue and after giving effect to the Issue, as at the date of this Red Herring Prospectus, is set forth below:

Amount (Rs. in Lacs, except share data)

Sl. No.	Particulars	Aggregate Nominal Value (₹)	Aggregate Value at Issue Price (₹)
A.	**Authorized Share Capital**		
	1,35,00,000 Equity Shares of ₹10 each	1350.00	--
B.	**Issued, Subscribed & Paid-up Share Capital prior to the Issue**		
	92,62,780 Equity Shares of ₹10 each	926.27	--
C.	**Present Issue in terms of the Red Herring Prospectus** (2)		
	Fresh Issue of 33,81,000 Equity Shares of ₹10 each for cash at a price of [●] per share	338.10	[●]
	Which Comprises		
D.	**Reservation for Market Maker portion**		
	1,71,000 Equity Shares of ₹10 each at a premium of [●] per Equity Share	45.60	[●]
E.	**Net Issue to the Public**		
	32,10,000 Equity Shares of ₹10 each at a premium of [●] per Equity Share	321.00	[●]
	of which		
	16,05,000 Equity Shares of ₹10 each at a premium of [●] per Equity Share will be available for allocation for allotment to Retail Individual Investors of up to ₹2.00 lakh	160.50	[●]
	16,05,000 Equity Shares of ₹10 each at a premium of [●] per Equity Share will be available for allocation for allotment to Other Investors of above ₹ 2.00 lakh	160.50	[●]
F.	Paid up Equity capital after the Issue		
	1,26,43,780 Equity Shares of ₹10 each		1264.38
G.	Securities Premium Account		
	Before the Issue		1200.37
	After the Issue		[●]

** The present Issue of 33,81,000 Equity Shares in terms of Red Herring Prospectus has been authorized pursuant to a resolution of our Board of Directors dated July 05, 2017 and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at the Extra-ordinary General Meeting (EGM) of the members held on July 08, 2017.*

Details of changes in Authorized Share Capital of our Company since incorporation

Sl. No.	Date of Shareholders approval	EGM/AGM/ Postal Ballot	Authorised Share Capital (₹)	Details of change
1.	On Incorporation	--	1,00,000	Incorporated with an Authorised Share Capital of ₹1,00,000 comprising of 10,000 Equity Shares of ₹10 each.
2.	March 31, 2017	EGM	10,00,00,000	Pursuant to the Ordinary resolution passed by our Shareholders on March 31, 2017, the Authorised Share Capital was increased from ₹1,00,000 comprising of 10,000 Equity Shares of ₹10 each to

Sl. No.	Date of Shareholders approval	EGM/AGM/ Postal Ballot	Authorised Share Capital (₹)	Details of change
				₹10,00,00,000 comprising of 1,00,00,000 Equity Shares of ₹10 each
3.	July 08, 2017	EGM	13,50,00,000	Pursuant to the Ordinary resolution passed by our Shareholders on July 08, 2017, the Authorised Share Capital was increased from ₹10,00,00,000 comprising of 1,00,00,000 Equity Shares of ₹10 each to ₹13,50,00,000 comprising of 1,35,00,000 Equity Shares of ₹10 each.

Notes to Capital Structure

1. **Share capital history of our Company**

(a) **Equity share capital history of our Company**

The following is the history of the equity share capital of our Company:

Date of Allotment	Number of Equity Shares	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of Consideration (Cash/ Other than Cash)	Nature of allotment	Cumulative Number of Equity Shares	Cumulative Share Capital (₹)	Cumulative Share Premium (₹)
Upon Incorporation	10,000	10.00	10.00	Cash	Subscription to the MoA (1)	10,000	100,000	.00
April 24, 2017	3,30,000	10.00	NIL	NA	Bonus Issue in the ration of 33:1 by way of capitalisation of Free Reserves(2)	3,40,000	3,400,000	0.00
April 25, 2017	59,21,860	10.00	10.00	Other than Cash	Allotment pursuant to Acquisition of Sagar Gems(3)	62,61,860	62,618,600	0.00
June 13, 2017	9,88,920	10.00	50.00	Cash	Conversion of Loan into Equity Shares(4)	72,50,780	72,507,800	39,556,800
June 15, 2017	8,34,000	10.00	50.00	Cash	Conversion of Loan into Equity Shares(5)	80,84,780	80,847,800	72,916,800
June 16,	11,78,000	10.00	50.00	Cash	Conversion of Loan into	92,62,780	92,627,800	120,036,800

Date of Allotment	Number of Equity Shares	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of Consideration (Cash/ Other than Cash)	Nature of allotment	Cumulative Number of Equity Shares	Cumulative Share Capital (₹)	Cumulative Share Premium (₹)
2017					Equity Shares[6]			
Total	**92,62,780**							**120,036,800**

(1) Allotment on subscription to the Memorandum of Association

Sl. No.	Name of the allottee	Number of Equity Shares allotted
1.	Mr. Vaibhav Dipak Shah	9,000
2.	Mr. Rohit Laxman Khade	1,000
Total		**10,000**

(2) Bonus Issue (33:1) made out of capitalization of Free Reserves (Surplus in Profit and Loss Account) dated April 24, 2017

Sl. No.	Name of the allottee	Number of Equity Shares allotted
1.	Mr. Vaibhav Dipak Shah	2,97,000
2.	Ms. Nidhi Hitesh Chovatia	16,170
3.	Mr. Dhaval Dipak Shah	3,300
4.	Ms. Priya Dhaval Shah	3,300
5.	Mr. Hitesh Chovatia	3,300
6.	Ms. Meeta Hitesh Chovatia	3,300
7.	Mr. Rahil Hitesh Chovatia	3,300
8.	SG Diamonds LLP	330
Total		**3,30,000**

(3) Allotment pursuant to the Acquisition of Sagar Gems dated April 25, 2017

Sl. No.	Name of the allottee	Number of Equity Shares allotted
1.	Mr. Vaibhav Dipak Shah	59,21,860
Total		**59,21,860**

Pursuant to business transfer agreement dated April 25, 2017 for the acquisition of the proprietary firm of Mr. Vaibhav Dipak Shah, Sagar Gems. The total consideration of ₹ 5,92,18,601 has been settled by Issuing of 59,21,860 shares at ₹10 and ₹1 in cash.

(4) Allotment pursuant to the conversion of Loans dated June 13, 2017

Sl. No.	Name of the allottee	Number of Equity Shares allotted
1.	SG Diamonds LLP	9,88,920
Total		**9,88,920**

(5) Allotment pursuant to the conversion of Loans dated June 15, 2017

Sl. No.	Name of the allottee	Number of Equity Shares allotted
1.	SG Diamonds LLP	8,34,000
Total		**8,34,000**

(6) Allotment pursuant to the conversion of Loans dated June 16, 2017

Sl. No.	Name of the allottee	Number of Equity Shares allotted
1.	SG Diamonds LLP	11,78,000
Total		**11,78,000**

2. Issue of Equity Shares for Consideration other than cash and bonus issues.

Our Company has not issued Equity shares for consideration other than cash as on the date of this Red Herring Prospectus. However, our Company has issued bonus shares, details of which are set out below:

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons for Allotment	Benefits Accrued to our Company	Allottees	No. of Shares Allotted
April 25, 2017	59,21,860	10.00	10.00	Acquisition of Sagar Gems	Expansion of the Business	Mr. Vaibhav Dipak Shah	59,21,860
April 24, 2017	3,00,000	10.00	-	Bonus	Capitalisation of Surplus in Profit and Loss	Mr. Vaibhav Dipak Shah	2,97,000
						Ms. Nidhi Hitesh Chovatia	16170
						Mr. Dhaval Dipak Shah	3,300
						Ms. Priya Dhaval Shah	3,300
						Mr. Hitesh Chovatia	3,300
						Ms. Meeta Hitesh Chovatia	3,300
						Mr. Rahil Hitesh Chovatia	3,300
						SG Diamonds LLP	330

3. We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

4. Build-up of our Promoters Shareholding, Promoter's Contribution and Lock-in

(a) **Build-up of our Promoters shareholding in our Company**

The current promoters of our Company are (i) Mr. Vaibhav Dipak Shah and (ii) SG Diamonds LLP.

As on the date of this Red Herring Prospectus, our Promoters collectively hold 92,29,120 Equity Shares, which constitutes 99.64% of the issued, subscribed and paid-up Equity Share capital of our Company.

None of the Equity Shares held by our Promoters is subject to any pledge.

Set forth below is the build-up of the equity shareholding of our Promoters, since the incorporation of our Company.

i) **Mr. Vaibhav Dipak Shah**

Date of Allotment/ Acquisition/ Sale	Number of Equity Shares	Cumulative No. of Equity Share	Face Value (₹)	Issue/ Acquisition/ Sale Price per Equity Share (₹)	Nature of Consideration (Cash/ Other than Cash)	Nature of transaction	% of pre issue equity share capital	% of post issue equity share capital	Sources of funds
Upon Incorporation	9,000	9,000	10	10.00	Cash	Allotment at the time of incorporation	0.10	0.07	Owned Fund
April 24, 2017	2,97,000	3,06,000	10	NA	Other than Cash	Bonus Issue	3.21	2.35	NA
April 25, 2017	59,21,860	62,27,860	10	10.00	Other than Cash	Preferential Allotment pursuant to the acquisition of Sagar Gems	63.93	46.84	NA
	62,27,860						**67.24**	**49.26**	

ii) **SG Diamonds LLP**

Date of Allotment/ Acquisition/ Sale	Number of Equity Shares	Cumulative No. of Equity Share	Face Value (₹)	Issue/ Acquisition/ Sale Price per Equity Share (₹)	Nature of Consideration (Cash/ Other than Cash)	Nature of transaction	% of pre issue equity share capital	% of post issue equity share capital	Sources of funds

Date of Allotment/ Acquisition/ Sale	Number of Equity Shares	Cumulative No. of Equity Share	Face Value (₹)	Issue/ Acquisition/ Sale Price per Equity Share (₹)	Nature of Consideration (Cash/ Other than Cash)	Nature of transaction	% of pre issue equity share capital	% of post issue equity share capital	Sources of funds
April 08, 2017	10	10	10	10.00	Cash	transferred from Nidhi Hitesh kumar chovatia	0.00011	0.00008	Owned Fund
April 24, 2017	330	340	10	NA	NA	Bonus Issue	0.0036	0.00261	Owned Fund
June 13, 2017	9,88,920	9,89,260	10	50.00	Cash	Conversion of Loan into Equity Shares	10.68	7.82	Owned Fund
June 15, 2017	8,34,000	18,23,260	10	50.00	Cash	Conversion of Loan into Equity Shares	9.00	6.60	Owned Fund
June 16, 2017	11,78,000	30,01,260	10	50.00	Cash	Conversion of Loan into Equity Shares	12.72	9.32	Owned Fund
Total	**30,01,260**						**32.40**	**23.74**	

All the Equity Shares held by our Promoters were fully paid up as on the respective dates of acquisition of such Equity Shares. Our Promoters have confirmed to our Company and the Book Running Lead Manager that the Equity Shares held by our Promoters have been financed from their owned funds, as the case may be, and no loans or financial assistance from any bank or financial institution has been availed of by them for such purpose.

As on the date of this Red Herring Prospectus, our Promoters do not hold any preference shares in our Company.

(b) **Details of Promoters' Contribution Locked-in for Three (3) Years**

Pursuant to Regulation 32 of the SEBI (ICDR) Regulations, an aggregate of at least 20% of the post-Issue Equity Share capital of our Company held by our Promoters shall be locked for a period of three (3) years from the date of Allotment.

All Equity Shares held by our Promoters are eligible for Promoters' contribution, pursuant to Regulation 33 of the SEBI (ICDR) Regulations.

All the Equity Shares of our Company held by our Promoters and the Promoter Group shall be held in dematerialized form prior to filing of the Prospectus with the RoC.

Our Promoters have consented to the inclusion of such number of the Equity Shares held by them, in aggregate, as may constitute 20% of the post-Issue capital of our Company as Promoters' contribution and the Equity Shares proposed to form part of Promoters' contribution subject to lock-in shall not be disposed of/ sold/ transferred by our Promoters during the period starting from the date of filing this Red Herring Prospectus with the Stock Exchange until the date of commencement of the lock-in period.

Accordingly, Equity Shares aggregating to 20% of the post-Issue capital of our Company, held by our Promoters shall be locked-in for a period of three (3) years from the date of Allotment in the Issue as follows:

Details of Promoter's Contribution						
Date on which the Equity Shares were Allotted/ Acquired	**Nature of Consideration (Cash/Other than Cash)**	**Number of Equity Shares Allotted/ Acquired Transferred**	**Face Value (₹)**	**Issue/ Acquisition Price (₹)**	**% of post-Issue share capital**	**Period of Lock-in^**
Mr. Vaibhav Dipak Shah						
Upon Incorporation	Cash	9,000	10.00	10.00	0.07%	3 Years
April 24, 2017	Other than Cash (Bonus Issue)	2,97,000	10.00	NA	2.35%	
April 25, 2017	Other than Cash	59,21,860	10.00	10.00	46.84%	
SG Diamonds LLP						
April 08, 2017	Cash	10	10	10	0.00008	3 Years
April 24, 2017	NA	330	10.00	NA	0.00261	
June 13, 2017	Cash	9,88,920	10.00	50.00	7.82%	
June 15, 2017	Cash	8,34,000	10.00	50.00	6.60%	
June 16, 2017	Cash	11,78,000	10.00	50.00	9.32%	
Grand Total		**92,29,120**			**72.99%**	

^

The Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as 'promoters' under the SEBI (ICDR) Regulations.

The Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution under Regulation 33 of the SEBI (ICDR) Regulations. In this respect, we confirm the following:

i. The Equity Shares issued for minimum Promoters' contribution have not been acquired in the three (3) years immediately preceding the date of this Red Herring Prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets, nor have resulted from a bonus issue out of revaluation reserves or unrealized profits of our Company or against

Equity Shares which are otherwise ineligible for computation of Promoters' contribution; the minimum Promoters' contribution does not include any Equity Shares acquired during the one (1) year immediately preceding the date of this Red Herring Prospectus at a price lower than the price at which the Equity Shares are being Issued to the public in the Issue;

ii. No Equity Shares have been issued to our Promoters in the last one (1) year preceding the date of this Red Herring Prospectus no Equity Shares have been issued to our Promoters in the last one (1) year preceding the date of this Red Herring Prospectus at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms, where the partners of the erstwhile partnership firms are the promoters of the issuer and there is no change in the management.

Provided that specified securities, allotted to promoters against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible.

iii. The Equity Shares held by our Promoters which are Issued for minimum Promoters' contribution are not subject to any pledge or any other form of encumbrance whatsoever; and all the Equity Shares of our Company held by the Promoters and the Promoter Group shall be held in dematerialized form prior to the filing of the Prospectus.

(c) **Details of Equity Shares Locked-in for one (1) year**

In terms of Regulation 36 and 37 of the SEBI (ICDR) Regulations, other than the Equity Shares Issued by the Promoters for the Minimum Promoter's Contribution, which will be locked-in as minimum Promoters' contribution for three (3) years, all the pre-Issue Equity Shares shall be subject to lock-in for a period of one (1) year from the date of Allotment.

The Equity Shares which are subject to lock-in shall carry inscription 'non-transferable' along with the duration of specified non-transferrable period mentioned in the face of the security certificate. The shares which are in dematerialized form, if any, shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

(d) **Other requirements in respect of lock-in**

In terms of Regulation 39 of the SEBI (ICDR) Regulations, locked-in Equity Shares for one (1) year held by our Promoters may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of the loan. Equity Shares locked-in as Promoters' contribution can be pledged only if in addition to fulfilling the aforementioned requirements, such loans have been granted by such banks or financial institutions for the purpose of financing one or more of the objects of the Issue.

In terms of Regulation 40 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than our Promoters prior to the Issue may be transferred to any other person holding Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended ("***Takeover Regulations***") and such transferee shall not be eligible to transfer them until the lock-in period stipulated in the SEBI (ICDR) Regulations has elapsed.

Further, in terms of Regulation 40 of SEBI (ICDR) Regulations, the Equity Shares held by our Promoters may be transferred to and among the Promoters Group or to new promoters or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Regulations and such transferee shall not be eligible to transfer them until the lock-in period stipulated in the SEBI (ICDR) Regulations has elapsed.

(e) We further confirm that our Promoters Contribution of 20.00 % of the post-Issue Equity Share capital does not include any contribution from Alternative Investment Fund.

(f) **Shareholding of our Promoters & Promoter Group**

The table below presents the shareholding of our Promoters and Promoter Group, who hold Equity Shares as on the date of filing of this Red Herring Prospectus:

Particulars	Pre-Issue		Post-Issue	
	Number of Shares	Percentage (%) holding	Number of Shares	Percentage (%) holding
Promoters (A)				
Mr. Vaibhav Dipak Shah	62,27,860	67.24	62,27,860	49.26
SG Diamonds LLP	30,01,260	32.40	30,01,260	23.75
Total	**92,29,120**	**99.64**	**92,29,120**	**72.99**
Promoter Group (B)				
Mr. Dhaval Dipak Shah	3,400	0.04%	3,400	0.03%
Mr. Hitesh Chovatia	3,400	0.04%	3,400	0.03%
Ms. Meeta Hitesh Chovatia	3,400	0.04%	3,400	0.03%
Ms. Nidhi Hitesh Chovatia	16,660	0.18%	16,660	0.13%
Ms. Priya Dhaval Shah	3,400	0.04%	3,400	0.03%
Mr. Rahil Hitesh Chovatia	3,400	0.04%	3,400	0.03%
Total (B)	**33,660**	**0.36%**	**33,660**	**0.27%**
Total (A+B)	**92,62,780**	**100.00%**	**9262780**	**73.26%**

As on the date of filing of this Red Herring Prospectus, our Promoters and members of the Promoters Group do not hold any preference shares in our Company.

5. **Acquisition and sale/transfer of Equity Shares by our Promoters in last one (1) year**

There has been no acquisition, sale or transfer of Equity Shares by our Promoters in the last one (1) year preceding the date of filing of this Red Herring Prospectus other than as stated in Point no. 2 above.

6. **Shareholding Pattern of our Company**

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

Sagar Diamonds Limited

I - Our Shareholding Pattern:-

Category	Category of shareholder	Nos. of share holders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Share s held (b)	
								Class Equity Shares of Rs.10/- each^	Class eg: y	Total								
I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX				X	XI=VIII+IX	XII		XIII		XIV
(A)	Promoters & Promoter Group	8	92,62,780	-	-	92,62,780	100.00	92,62,780	-	92,62,780	-	-	100.00	-		-		92,62,780
(B)	Public	-	-	-	-	-	-							-		-		-
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-		-		-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-		-		-
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-		-		-
	Total	**8**	**92,62,780**			**92,62,780**	**100.00**	**92,62,780**	**-**	**92,62,780**	**-**	**-**	**100.00**	**-**		**-**		**92,62,780**

*As on date of this Red Herring Prospectus 1 Equity share holds 1 vote.

^ We have only one class of Equity Shares of face value of Rs. 10/- each.

Sagar Diamonds Limited

II - Shareholding pattern of the Promoters and Promoter Group

Sl. No.	Category & Name of the Shareholders	No. of share holders	No. of fully paid up equity share s held	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts	Total nos. shares held	Shareholding (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) as a % of A+B+C2	Number of Locked in shares		Number of Shares pledged or otherwise		Number of equity shares held in dematalized form
								No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Share s held (b)	No. (a)	As a % of total share s held (b)	
								Class Equity Shares of Rs.10/- each	Class Y	Total								
	I	II	III	IV	V	VI=III+IV+V	VII	VIII				IX	X = VI+ IX	XI		XII		XIII
(1)	Indian																	
(a)	Individuals/ Hindu undivided																	
	Mr. Vaibhav Dipak Shah	1	62,27,860	-	-	62,27,860	67.24	62,27,860		62,27,860	67.24	-	67.24	-	-	-	-	62,27,860
	Dhaval Dipak Shah	1	3,400	-	-	3,400	0.04	3,400		3,400	0.04%	-	0.04	-	-	-	-	3,400
	Hitesh Chovatia	1	3,400	-	-	3,400	0.04	3,400		3,400	0.04%	-	0.04	-	-	-	-	3,400
	Meeta Hitesh Chovatia	1	3,400	-	-	3,400	0.04	3,400		3,400	0.04%	-	0.04	-	-	-	-	3,400
	Nidhi Hitesh Chovatia	1	16,660	-	-	16,660	0.18	16,660		16,660	0.18%	-	0.18	-	-	-	-	16,660
	Priya Dhaval	1	3,400	-	-	3,400	0.04	3,400		3,400	0.04%	-	0.04	-	-	-	-	3,400
	Rahil Hitesh Chovatia	1	3,400	-	-	3,400	0.04	3,400		3,400	0.04%	-	0.04	-	-	-	-	3,400
(b)	Central Government/ State		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(c)	Financial Institutions/		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Body Corporate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	SG Diamonds LLP	1	30,01,260	-	-	30,01,260	32.40			30,01,260	32.40		32.40				30,01,260
	Sub-Total																-
(2)	Foreign	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Individuals (Non- Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**8**	**92,62,780**			**92,62,780**	**100.00**	-	-	-	-	-	**100.00**				**92,62,780**

*As on date of this Red Herring Prospectus 1 Equity share holds 1 vote.

Sagar Diamonds Limited

III - Shareholding pattern of the Public

Sl. No.	Category & Name of the Shareholders	No. of share holders	No. of fully paid up equity shares held	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Total Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total 63hares held (b)	No. (not applicable) (a)	As a % of total shares held (not applicable)(b)	
								Class Equity Shares of Rs.10/- each	Class Y	Total								
	I	II	III	IV	V	VI=III+IV+VI	VII	VIII				IX	X= VIII+ IX	XI		XII		XIII
(1)	Institutions																	
(a)	Mutual Funds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Venture Capital Funds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Financial Institutions/ Banks		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g)	Insurance Companies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h)	Provident Funds/ Pension Funds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Any Other (specify)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Central Government/ State Government(s)/ President of India		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(2)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(3)	Non-institutions																	
(a)	Individuals																	

	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.															
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	-	-	-	-	-	-	-	-	-	-	-	--	-	-	-	-
(b)	NBFCs registered with RBI		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Employee Trusts		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories (holding DRs) (balancing figure)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other Body Corporate (specify)																
	Sub-Total (B)(3)																
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)																

Sagar Diamonds Limited

IV - Shareholding pattern of the Non Promoter- Non Public Shareholders

Sl. No.	Category & Name of the Shareholders	No. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts	Total nos. shares held	Shareholding (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in Share dematerialized form (Not applicable)
								No of Voting Rights			Total as a % of Total Voting rights			No.	As a % of total Shares held	No. (not applicable)	As a % of total shares held (not applicable)	
								Class Equity Shares of Rs.10/- each	Class Y	Total								
	I	II	III	IV	V	VI=III+IV+VI	VII	VIII				IX	X= VI+ IX	XI		XII		XIII
(1)	Custodian/DR Holder																	
(a)	Name of DR Holder (if available)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (c) (1)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (C) (2)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Non- Promoter Non- Public shareholding (C)= (C)(1)+ (C) (2)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

- *In terms of SEBI circular bearing no. Cir/ISD/3/2011 dated June 17, 2011 and SEBI circular bearings no. SEBI/Cir/ISD/05/2011 dated September 30, 2011, the Equity Shares held by the Promoters and Promoter Group is in dematerialised form and the same shall be maintained on continuous basis in the manner as specified by Board.*
- *Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the Listing Regulation, one day prior to the listing of the Equity shares. The Shareholding pattern will be uploaded on the website of BSE before commencement of trading of such Equity Share.*

7. Except as set out below, none of the directors of our Company are holding any Equity Shares in our Company.

Particulars	Number of Shares	Pre-Issue Percentage holding (%)	Post-Issue Percentage holding (%)
Mr. Vaibhav Dipak Shah	62,27,860	67.24%	49.26%
Mr. Rahil Hitesh Chovatia	3,400	0.04%	0.03%
Total	**62,31,260**	**67.28%**	**49.29%**

8. None of the Equity Shares of our Company are subject to any pledge as on the date of this Prospectus.

9. None of the shareholding of the Promoters & Promoter Group is subject to lock-in as on date of this Red Herring Prospectus.

10. None of the persons belonging to the category Public are holding more than 1% of the total number of shares as on the date of this Red Herring Prospectus.

11. None of the Key Managerial Personnel holds Equity Shares in our Company as on the date of this Red Herring Prospectus except as disclosed below:

Particulars	Number of Shares	Pre-Issue Percentage holding (%)	Post-Issue Percentage holding (%)
Mr. Vaibhav Dipak Shah	62,27,860	67.24%	49.26%

12. **Top Ten Shareholders of our Company.**

a) The top ten (10) shareholders of our Company as of the date of the filing of the Red Herring Prospectus with the Stock Exchange are as follows:

Sl. No.	Name of the Shareholder	Number of Equity Shares	% of Shareholding
1.	Mr. Vaibhav Dipak Shah	62,27,860	67.24
2.	SG Diamonds LLP	30,01,260	32.40
3.	Ms. Nidhi Hitesh Chovatia	16,660	0.18
4.	Mr. Dhaval Dipak Shah	3,400	0.04
5.	Mr. Hitesh Chovatia	3,400	0.04
6.	Ms. Meeta Hitesh Chovatia	3,400	0.04
7.	Ms. Priya Dhaval Shah	3,400	0.04
8.	Mr. Rahil Hitesh Chovatia	3,400	0.04
Total		**92,62,780**	**100.00**

b) The top ten (10) shareholders of our Company as of ten (10) days prior to the filing of the Red Herring Prospectus with the Stock Exchange are as follows:

Sl. No.	Name of the Shareholder	Number of Equity Shares	% of Shareholding
1.	Mr. Vaibhav Dipak Shah	62,27,860	67.24
2.	SG Diamonds LLP	30,01,260	32.40
3.	Ms. Nidhi Hitesh Chovatia	16,660	0.18
4.	Mr. Hitesh Chovatia	3,400	0.04
5.	Ms. Meeta Hitesh Chovatia	3,400	0.04

Sl. No.	Name of the Shareholder	Number of Equity Shares	% of Shareholding
6.	Mr. Dhaval Dipak Shah	3,400	0.04
7.	Ms. Priya Dhaval Shah	3,400	0.04
8.	Mr. Rahil Hitesh Chovatia	3,400	0.04
Total		**92,62,780**	**100.00**

c) The top ten (10) shareholders of our Company as of two (2) years prior to the filing of the Red Herring Prospectus with the Stock Exchange are as follows:

Sl. No.	Name of the allottee	Number of Equity Shares allotted	% of Shareholding
1.	Mr. Vaibhav Dipak Shah	9,000	90.00
2.	Mr. Rohit Laxman Khade	1,000	10.00
Total		**10,000**	**100.00**

13. None of our public shareholders are holding more than 1% of the pre-Issue share capital of our Company:

14. There has been no subscription to or sale or purchase of our Equity Shares, within the three (3) years immediately preceding the date of this Red Herring Prospectus, by our Promoters, Directors or Promoter Group which in aggregate equals or exceeds 1% of the pre-Issue Equity Share capital of our Company except as stated below.

Sl. No.	Name of Shareholder	Promoter/ Director/ Promoter Group	Date of Subscription/ purchase/ Sale	No. of Shares Subscription/ purchase/ Sale	Face Value	Percentage of Share Capital (Pre-issue)	Percentage of Share Capital (Post-issue)
1	Mr. Vaibhav Dipak Shah	Promoter	Upon incorporation	9,000	10	0.10%	0.07%
			April 24, 2017	2,97,000	10	3.26%	2.45%
			April 25, 2017	59,21,860	10	63.93%	46.84%
2	Mr. Dhaval Dipak Shah	Promoter Group	February 25,2017	100	10	0.001%	0.001%
			April 24, 2017	3,300	10	0.04%	0.03%
3	Ms. Priya Dhaval Shah	Promoter Group	February 25,2017	100	10	0.001%	0.001%
			April 24, 2017	3,300	10	0.04%	0.03%
4	SG Diamonds LLP	Promoter	February 25,2017	30,01,260	10	32.40%	23.75

15. Our Company has not granted any options or allotted any Equity Shares under the ESOP Scheme as on the date of this Red Herring Prospectus.

16. Our Company has not issued and allotted Equity Shares in terms of scheme(s) approved under Section 391-394 of the Companies Act, 1956 or section 230-232 of Companies Act 2013.

17. None of our Promoters, Promoter Group, our Directors and their relatives has entered into any financing arrangements or financed the purchase of the Equity shares of our Company by any other person during the period of six (6) months immediately preceding the date of filing of the Red Herring Prospectus.

18. 59,21,860 shares issued against the Business Transfer Agreement dated April 25, 2017 to Mr. Vaibhav Dipak Shah at an issue price of ₹ 10.00 per share. Except, the issue of these equity shares, no Equity Shares have been issued by our Company that may be issued at a price lower than the issue price during the preceding one year.

19. We hereby confirm that there will be no further issue of capital whether by the way of issue of bonus shares, preferential allotment, right issue or in any other manner during the period commencing from the date of the Prospectus until the Equity shares offered have been listed or application money unblocked on account of failure of issue.

20. Our Company, its Directors, Promoters or the Book Running Lead Manager have not entered into any buy-back or standby arrangements for the purchase of the Equity Shares of our Company.

21. Except as disclosed below, none of the Promoter Group, Directors of the Promoter (s), the Directors and their relatives have purchased or sold any Equity Shares during the period of six (6) months immediately preceding the date of filing of this Red Herring Prospectus with the Stock Exchange:

Sr. No.	**Name of Transferor**	**Name of Transferee**	**Promoters/ Director/ Promoter Group/ Relatives of Directors**	**Date of Subscription/ purchase/ Sale**	**No. of Shares Subscription/ purchase / Sale**	**Face Value**	**Percentage of Share Capital (Pre-issue)**	**Percentage of Share Capital (Post-issue)**
1.	Ms. Nidhi Hiteshkumar Chovatia	SG Diamonds LLP	Promoter	April 08, 2017	10	10	0.00011	0.00008
2.	Mr. Rohit Khade	Mr. Dhaval Dipak Shah	Promoter Group	February 22,2017	100	10	0.00108	0.00079
3.	Mr. Rohit Khade	Mr. Hitesh Chovatia	Promoter Group	February 22,2017	100	10	0.00108	0.00079
4.	Mr. Rohit Khade	Ms. Meetaben Hiteshkumar Chovatia	Promoter Group	February 22,2017	100	10	0.00108	0.00079
5.	Mr. Rohit Khade	Ms. Nidhi Hiteshkumar Chovatia	Promoter Group	February 22,2017	500	10	0.00540	0.00395
6.	Mr. Rohit Khade	Ms. Priya Dhaval Shah	Promoter Group	February 22,2017	100	10	0.00108	0.00079
7.	Mr. Rohit Khade	Mr. Rahil Hiteshbhai Chovatia	Promoter Group	February 22,2017	100	10	0.00108	0.00079

22. Our Company undertakes that there shall be only one (1) denomination for the Equity Shares of our Company, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as specified by SEBI from time to time.

23. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares as on the date of this Red Herring Prospectus.

24. The Equity Shares are fully paid up and there are no partly paid-up Equity Shares as on the date of filing of this Red Herring Prospectus.

25. Our Company has not issued Equity Shares out of Revaluation Reserves.

26. Our Company shall comply with such disclosures and accounting norms as may be specified by BSE, SEBI and other regulatory authorities from time to time.

27. The Equity Shares issued pursuant to this Issue shall be fully paid-up.

28. Our Company has not made any public issue of any kind or class of securities of our Company within the immediately preceding two (2) years prior to filing this Red Herring Prospectus.

29. As on date of this Red Herring Prospectus, our Company has 8 shareholders.

30. Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds. However, depending on its business requirements, our Company may consider raising bridge financing facilities, pending receipt of the Net Proceeds of the Issue.

31. Our Company, Directors, Promoters or members of our Promoter Group shall not make any payments, direct or indirect, discounts, commissions, allowances or otherwise under this Issue except as disclosed in this Red Herring Prospectus.

32. Our Company presently does not have any proposal or intention, negotiation and consideration to alter the equity capital structure by way of split/ consolidation of the denomination of the Equity Shares, or the issue of securities on a preferential basis or issue of bonus or rights or further public issue of securities or qualified institutions placement within a period of six (6) months from the date of opening of the Issue. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.

33. Our Company has not revalued its assets during the last five (5) financial years.

34. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to three (3) years lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.

35. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and Designated Stock Exchange i.e. BSE Limited (SME Platform). Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

36. In case of over-subscription in all categories the allocation in the issue shall be as per the requirements of Regulation 43(4) of SEBI (ICDR) Regulations.

37. There are no Equity Shares against which depository receipts have been issued.

38. Other than the Equity Shares, there is no other class of securities issued by our Company.

39. This issue is being made through the Book Building method.

40. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. Further, this Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations. As per Regulation 43(4) of the SEBI (ICDR) Regulations, since our is a book building Issue 'the allocation' is the Net Issue to the public category shall be made as follows:

    i. Minimum fifty percent (50%) to retail individual investors; and

    ii. Remaining to other than retail individual investors.

41. The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the Bidders in the other category. If the retail individual investor category is entitled to more than fifty percent (50%) on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.

42. Our Promoters and members of our Promoter Group will not participate in the Issue.

43. The Book Running Lead Manager and its associates do not hold any Equity Shares in our Company as on the date of filing this Red Herring Prospectus.

OBJECTS OF THE ISSUE

The Issue includes a fresh Issue of 33,81,000 Equity Shares of our Company at an Issue Price of ₹ [●] per Equity Share.

Our Company proposes to utilize the funds which are being raised through this Issue towards the below mentioned objects and gain benefits of listing on SME Platform of BSE:

The Objects of the Issue are:

(a) To Meet working capital requirement;
(b) To meet the Issue Expenses; and
(c) To meet General corporate purpose

(Collectively referred as the "Objects")

We believe that listing will enhance our corporate image and brand name and create a public market for Equity Share of our Company in India and will further enable us to avail future growth opportunities. Our Company is primarily engaged in Diamonds and Jewellery Manufacturing. The main object clause and the ancillary object clause of the Memorandum of Association of our Company enable us to undertake our existing activities and the activities for which we are raising funds through the Issue. The existing activities of our Company are within the object clause of our Memorandum. The Fund requirement and deployment is based on internal management estimates and has not been appraised by any bank and financial institution.

Requirement of Funds

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

The following table summarizes the requirement of funds:

Sl. No.	Particulars	Amount (in ₹ Lakh)
1	To Meet working capital requirement	[●]
2	Public issue expenses	[●]
3	General corporate purpose	[●]
	Total: Gross Issue Proceeds	[●]
	Less: Public Issue Expenses	[●]
	Total: Net Issue Proceeds	[●]

Utilisation of Net Issue Proceeds: The Net Issue proceeds will be utilised to finance Working Capital Requirement and General corporate purpose in tune of Rs. [●] Lakh and Rs. [●] Lakh respectively.

Means of Finance: The above-mentioned fund requirement will be met from the proceeds of the Issue. We intend to fund the shortfall, if any, from internal accruals and/ or debt. Set forth below are the means of finance for the above-mentioned fund requirement:

Sl. No.	Particulars	Amount (in ₹ Lakh)
1	Net Issue Proceeds	[●]
	Total	[●]

Since the entire fund requirements are to be funded from the proceeds of the Issue. Accordingly, there is no requirement to make firm arrangements of finance under Regulation 4(2)(g) of the SEBI (ICDR) Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Issue.

The fund requirements are based on internal management estimates and have not been appraised by any bank or financial institution or any other independent agency. These are based on current conditions and are subject to change in the light of changes in external circumstances or costs or other financial conditions and other external factors.

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Unsecured Loans.

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled ***"Risk Factors"*** beginning on page no. 15 of this Red Herring Prospectus.

Details of the use of the proceeds

1. To Meet Working Capital Requirement

Our business is working capital intensive. We finance our working capital requirement from our internal accruals. Considering the existing and future growth, the total working capital needs of our Company, as assessed based on the internal workings of our Company is expected to reach ₹ 2089.5 Lakhs for FY 2017-2018. We intend to meet our working capital requirements to the extent of ₹ [●] Lakhs from the Net Proceeds of this Issue and the balance will be met from internal accruals and borrowings at an appropriate time as per the requirement.

Basis of estimation of working capital

The details of our Company's composition of working capital as at March 31, 2017, June 20, 2017 and March 31, 2018 based on the Restated Summary Statements. Further the source of funding of the same are as set out in the table below:

(*₹ in lakh*)

Particulars	March 31, 2017	June 20, 2017	March 31, 2018
	Restated	Restated	Estimated
A: Current Assets			
Current Investments			
Inventories	-	26.91	65.50
Trade Receivables	993.64	2020.70	4445.54
Cash and Cash Equivalents	0.69	1.85	0.85
Short-term Loans and Advances	-	-	-
Other Current Assets	-	-	-
Total (A)	**994.33**	**2049.46**	**4511.89**
B: Current Liabilities			
Short-term Borrowings	-	-	-
Trade Payables	949.44	1938.50	2035.43
Other Current Liabilities	0.40	1.20	2.00
Short-term Provisions	15.99	30.17	358.97
Total (B)	**965.63**	**1969.27**	**2422.39**
Working Capital	28.7	80.19	2089.5
Funding Pattern			
Short Term Borrowing & Internal Accruals			[●]
Part of the IPO Proceeds			[●]

The details of our Company's expected working capital requirements for the Financial Years 2018 and funding of the same have not been audited or reviewed by the Statutory Auditor. V P Agarwal and associates, Chartered Accountants, have by a certificate dated July 14, 2017, certified the working capital requirements of our Company.

Assumptions for working capital requirement

Holding levels On the basis of existing working capital requirement of our Company and the estimated incremental working capital requirement, our Board pursuant to their resolution dated July 05, 2017 has approved the business plan for the period ended March 31, 2018 and the projected working capital requirement for Fiscals 2018 on standalone basis, as stated below. Provided below are details of the holding levels (days) considered.

Particulars	No. of Days of Revenue from Operations		
	As at March 31, 2017	As at June 20, 2017	For the Year Ending March 31, 2018
Current Assets			
Inventory			
-Raw Material	NA	NA	-
-Work in Progress	NA	NA	-
-Finished Goods	0	2	4
Trade Receivable	365	163	46
Current Liabilities			
Trade Payables	365	156	26

Justification for Holding Period Levels

Particulars	Details
Current Assets	
Inventory	
-Raw Material	NA
-Work in Progress	NA
-Finished Goods	We have taken conservative approach for calculation of holding period for stock.
Trade Receivable	As the company would target the end user customer segment which would be order based industry and payment from sundry debtors would be fast.
Current Liabilities	
Trade Payables	After the infusion of equity capital, liquidity position of the Company shall increase which result in quicker repayment of trade payables.

2. Public Issue Expense

The estimated Issue related expenses includes Issue Management Fee, Underwriting and Selling Commissions, Printing and Distribution Expenses, Legal Fee, Advertisement Expenses, Registrar's Fees, Depository Fee and Listing Fee. The total expenses for this Issue are estimated to be approximately ₹ [●] Lakhs which is [●] % of the Issue Size. All the Issue related expenses shall be met out of the proceeds of the Issue and the break-up of the same is as follows:

(Rs. In Lakh)

Activity	Expenses
Fees payable to Merchant Banker , Registrar Fees, Legal Fees & Misc. Expenditure Brokerage & Selling Commission	[●]
Printing and Stationery Expenses, Advertising and Marketing Expenses Statutory Expenses etc.	[●]
Total Estimated Issue Expenses	[●]

3. General Corporate Purpose:

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy the balance Fresh Issue proceeds aggregating ₹ [●] Lacs towards the general corporate purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, initial development costs for projects other than the identified projects, and the strengthening of our business development and marketing capabilities, meeting exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act.

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

4. Proposed year-wise Deployment of Funds and Schedule of Implementation:

The proposed year wise break up of deployment of funds and Schedule of Implementation of Net Issue Proceeds is as under:

(₹ In Lakh)

Sl. No.	Particulars	Amount already Incurred	Amount to be deployed in F.Y. 2017-18

Sl. No.	Particulars	Amount already Incurred	Amount to be deployed in F.Y. 2017-18
1.	Working Capital Requirement	[●]	[●]
2.	Public Issue Expenses	2.30	[●]
3.	General Corporate Purpose	[●]	[●]
	Total	2.30	[●]

5. Funds Deployed and Sources of Funds Deployed:

Our Statutory Auditors, VP Agarwal & Co., Chartered Accountants, vide their certificate dated July 11, 2017 have confirmed that as on July 11, 2017, the following funds have been deployed for the proposed object of the Issue:

(in Rs.)

Sl. No.	Particulars	Amount deployed
1.	Issue Expenses^	2,30,000
	Total	2,30,000

^ Excluding applicable tax

6. Sources of Financing for the Funds Deployed

Our Statutory Auditors, VP Agarwal & Co., Chartered Accountants, vide their certificate dated July 11, 2017 have also confirmed the amount deployed so far towards part of the Issue expenses has been financed through internal sources.

(in Rs.)

Sl. No.	Particulars	Amount deployed
1	Internal Accruals	2,30,000
	Total	2,30,000

Appraisal

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

Shortfall of Funds

Any shortfall in meeting the fund requirements will be met by way of internal accruals and or unsecured Loans.

Bridge Financing Facilities

As on the date of this Red Herring Prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds. However, we may draw down such amounts, as may be required, from an overdraft arrangement / cash credit facility with our lenders, to finance additional working capital needs until the completion of the Issue.

Monitoring Utilization of Funds

As the Issue size is less than ₹10,000 Lakh, under the SEBI (ICDR) Regulations it is not mandatory for us to appoint a monitoring agency.

The Audit committee and the Board of Directors of our Company will monitor the utilization of funds raised through this public issue. Pursuant to Regulation 32 of SEBI Listing Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the Applications of the proceeds of the Issue On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Red Herring Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement of funds utilized will be certified by the Statutory Auditors of our Company.

Further, in accordance with SEBI Listing Regulations, 2015, our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Red Herring Prospectus.

Interim Use of Proceeds

Pending utilization of the Issue proceeds of the Issue 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 or investing in any real estate product or real estate linked products.

Variation in Objects

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorised to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and shall be published in accordance with the Companies Act and the rules thereunder. As per the current provisions of the Companies Act, our Promoters or controlling Shareholders would be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

Other Confirmations

There is no material existing or anticipated transactions with our Promoters, our Directors, our Company's Key Managerial Personnel, director of promoters in relation to the utilisation of the Net Proceeds. No part of the Net Proceeds will be paid by us as consideration to our Promoters, our Directors or Key Managerial Personnel, director of promoters except in the normal course of business and in compliance with the applicable laws.

BASIC TERMS OF THE ISSUE

Authority for the Issue

The present Issue of 33,81,000 Equity Shares in terms of Red Herring Prospectus has been authorized pursuant to a resolution of our Board of Directors dated July 05, 2017 and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at the Extra- Ordinary General Meeting of the members held on July 08, 2017.

Ranking of Equity Shares

The Equity Shares being issued under the Issue shall be subject to the provisions of our Memorandum and Articles and shall rank pari-passu with the existing Equity Shares of our Company including rights in respect of dividends. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends or any other corporate benefits, if any, declared by the Company after the date of Allotment. For further details, please refer to the chapter "***Main Provisions of the Articles of Association"*** beginning on 267 of this Red Herring Prospectus.

Terms of the Issue

The Equity Shares, now being Issued, are subject to the terms and conditions of this Red Herring Prospectus, Prospectus, Application form, Confirmation of Allocation Note ***("CAN"),*** the Memorandum and Articles of Association of our Company, the guidelines for listing of securities issued by the Government of India and SEBI (ICDR) Regulations, 2009, the Depositories Act, Stock Exchange, RBI, RoC and/or other authorities as in force on the date of the Issue and to the extent applicable.

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

Face Value	Each Equity Share shall have the face value of ₹10.00 each.
Issue Price	Each Equity Share is being issued at a price of ₹ [●] each and is [●] time of Face Value.
Market Lot and Trading Lot	The Market lot and Trading lot for the Equity Share is [●] and the multiple of [●]; subject to a minimum allotment of [●] Equity Shares to the successful bidders.
Terms of Payment	100% of the Issue price of ₹ [●] each shall be payable on Application. For more details please refer ***"Issue Procedure"*** on page 221 of this Red Herring Prospectus.
Ranking of the Equity Shares	The Equity Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividends with the existing Equity Shares of the Company. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of Allotment. For further details, please see ***"Main Provisions of Articles of Association"*** on page 267 of this Red Herring Prospectus.

Minimum Subscription

In accordance with Regulation 106P (1) of SEBI ICDR Regulations, this Issue is 100% underwritten. Also, in accordance with explanation to Regulation 106P (1) of SEBI ICDR Regulations the underwriting shall not be restricted up to the minimum subscription level.

If our Company does not receive the subscription of 100% of the Issue including devolvement on Underwriters within 60 (Sixty) days from the date of closure of the issue, our Company shall forthwith unblock the entire subscription amount received. If there is a delay beyond 8 (eight) days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed in the Companies Act.

Further, in accordance with Regulation 106R of SEBI ICDR Regulations, no allotment shall be made pursuant to the Issue, if the number of prospective allottees is less than 50 (fifty). For further details, please refer to section titled "Terms of the Issue" beginning on page 212 of this Red Herring Prospectus.

BASIS FOR ISSUE PRICE

Investors should read the following summary with the section titled "Risk Factors", the details about our Company under the section titled "Our Business" and its financial statements under the section titled "Financial Information" beginning on pages 15, 93 and page 140 respectively of the Red Herring Prospectus. The trading price of the Equity Shares of our Company could decline due to these risks and the investor may lose all or part of his investment.

The Issue Price has been determined by the Company in consultation with the **Book Running Lead Manager** on the basis of the key business strengths of our Company. The face value of the Equity Shares is ₹ 10.00 each and the Issue Price is ₹ [●] which is [●] times of the face value.

QUALITATIVE FACTORS

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to section titled "*Our Business*" beginning on page 93 of this Red Herring Prospectus.

QUANTITATIVE FACTORS

Information presented in this section is derived from our Company's restated financial statements prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

1. Basic & Diluted Earnings per share (EPS):

Sl. No.	Period	Basic & Diluted (₹)	Weights
1.	FY 2015-16	-2.18	1
2.	FY 2016-17	347.20	2
	Weighted Average		230.74
3.	For the period ended June 20, 2017 (non-Annualised)		2.33

2. Basic & Diluted Earnings per share (EPS), as adjusted:

Sl. No.	Period	Basic & Diluted (₹)	Weights
1.	FY 2015-16	-0.01	1
2.	FY 2016-17	2.14	2
	Weighted Average		1.42
3.	For the period ended June 20, 2017 (non-Annualised)		1.85

Notes:

i. The figures disclosed above are based on the restated financial statements of the Company.

*ii. Earnings per Share has been calculated in accordance with **Accounting Standard 20 – "Earnings per Share"** issued by the Institute of Chartered Accountants of India.*

iii. The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.

3. Price Earning (P/E) Ratio in relation to the Issue Price of ₹ [●]:

Sl. No.	Particulars	P/E
1	P/E ratio based on the Basic & Diluted EPS, as adjusted for FY 2016-17	[●]
2	P/E ratio based on the Weighted Average EPS, as adjusted for FY 2016-17	[●]

4. Peer Group P/ E*-

We believe that none of the listed companies in India offer products or services across the various business segments in which we operate. There are, however, listed companies in India in the education/skills and training sector with one or more business segments common to ours and these are as given below:

Sl. No	Name of Company	Face Value (Rs.)	Basic EPS (Rs.)#	P/E	RoNW (%)	BV per share (₹)
1.	PC Jewellers Limited	24.0	21.0	18.6	152.9	24.0
2.	Tribhovandas Bhimji Zaveri Ltd.	2.8	31.1	(5.1)	69.1	2.8
3.	Sagar Diamonds Limited*	10.00	347.20	[●]	97.80%	10.44
4.	Sagar Diamonds Limited*	10.00	2.14#	[●]		
5.	Sagar Diamonds Limited^	10.00	2.33	[●]	1.39%	23.30
6.	Sagar Diamonds Limited^	10.00	1.85#	[●]		
Source: Capital Market; Vol. XXXII/10/Jul 03-16, 2017						

**Based on March 31, 2017 restated financial statements.*

 # Standalone

^ Based on June 20, 2017 restated financial statements (non-annualised)

 # adjusted EPS

5. Return on Net worth (RoNW)*

Sl. No	Period	RONW (%)	Weights
1.	F.Y. 2015-16	-27.80%	1
2.	FY 2016-17	97.80%	2
	Weighted Average		55.93**%**
3.	For the period ended June 20, 2017 (not annualized)		1.39**%**

*Restated Profit after tax/Net Worth

6. Minimum Return on Net Worth after Issue to maintain Pre-Issue EPS for the financial year 2016-17:

Sl. No	Particulars	(%)
1	At the Floor Price	[●]
2	At the Cap Price	[●]

7. Net Asset Value (NAV) per Equity Share (Adjusted) :

Sl. No.	As at	NAV (₹) Pre Bonus
1.	March 31, 2016	0.23
2.	March 31, 2017	10.44
3.	For the period ended June 20, 2017	23.30
	NAV after Issue	[●]
	Issue Price	[●]

8. The face value of our shares is ₹ 10.00 per share and the Issue Price is of ₹ [●] per share is [●] times of the face value.

9. Our Company in consultation with the Book Running Lead Manager believes that the Issue Price of ₹ [●] per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the risk factors and financials of the Company including important profitability and return ratios, as set out in the Auditors' Report in the Issue Document to have more informed view about the investment.

Investors should read the above mentioned information along with sections titled "*Our Business*", "*Risk Factors*" and "*Financial Information*" beginning on pages 93, 15 and 140 respectively including important profitability and return ratios, as set out in "Annexure 38" to the Financial Information of our Company beginning on page 140 of this Red Herring Prospectus to have a more informed view.

STATEMENT OF POSSIBLE TAX BENEFITS

The Board of Directors
Sagar Diamonds Limited
Unit No. 101, Plot No. 193 SEZ
Diamond Park Sachin
Surat - 394230, Gujarat

Dear Sirs,

Sub: Statement of possible Special tax benefit ('the Statement') available to Sagar Diamonds Limited and its shareholders prepared in accordance with the requirements under Schedule VIII Part A Clause (VII) (L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (the 'Regulations')

We hereby confirm that the enclosed annexure, prepared by Sagar Diamonds Limited ('the Company") states the possible special tax benefits available to the Company and the shareholders of the Company under the Income – tax Act, 1961 ('Act'), the Wealth Tax Act, 1957 and the Gift Tax Act, 1958, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the company may or may not choose to fulfill.

The amendments in Finance Act 2016 have been incorporated to the extent relevant in the enclosed annexure.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and do not cover any general tax benefits available to the Company. Further, these benefits are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

Our views are based on the existing provisions of the Act and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such change, which could also be retroactive, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein.

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

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

The enclosed annexure is intended solely for your information and for inclusion in the Red Herring Prospectus/ Prospectus or any other issue related material in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **V P AGRAWAL & CO.**
Chartered Accountants

(CA AMIT AGARWAL)
Partner
M. No 152990
FRN NO 128344W

Date : July 11, 2017
Place : Surat

Encl: Annexure

ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS

Outlined below are the possible special tax benefits available to the Company and its shareholders under the Income Tax Act, 1961 ('the Act')

Special Tax Benefits available to the Company & its Subsidiaries under the Act:

For unit at the Special Economic Zone Sachin, Surat, the unit has started operation in the financial year 2017-18 the unit qualifies for a tax exemption under section 10AA and the amount exempt would be 100% of the profits for the first five Assessment year, 50% for the next five Assessment year and upto 50% for the balance 5 years equivalent to profits ploughed back for the investment.

GENERAL TAX BENEFITS TO THE COMPANY (Under the Income-Tax Act)

1. In accordance with section 10(34), dividend income (referred to in section 115-O) will be exempt from tax.

2. In case of loss under the head "Profit and Gains from Business or Profession", it can be set-off with other income and the excess loss after set-off can be carried forward for set-off with the business income of the next eight Assessment Years.

3. In accordance with section 32(1)(ii), the company can claim depreciation on specified tangible (being Buildings, Plant & Machinery, Computer and Vehicles) and intangible assets (being Knowhow, Copyrights, Patents, Trademarks, Licenses, Franchises or any other business or commercial rights of similar nature acquired on or after 1st April, 1998) owned by it and used for the purpose of its business. In case of any new plant and machinery (other than ships and aircraft) that will be acquired and installed by the company engaged in the business of manufacture or production of any article or thing, the company will be entitled to a further sum equal to twenty per cent of the actual cost of such machinery or plant subject to conditions specified in section 32 of the Act.

4. In case of loss under the head "Profit and Gains from Business or Profession", it can be set-off with other income and the excess loss after set-off can be carried forward for set-off with the business income of the next eight Assessment Years.

2. If the company invests in the equity shares of another company, as per the provisions of Section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income if the transaction is chargeable to securities transaction tax.

3. Income received in respect of the units of mutual fund specified under clause 10 (23D) or income received in respect of units from administrator of the specified undertakings or income received in respect of units from the specified company is exempt from tax in the hand of the company, under section 10 (35) of the I.T.Act.

4. In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of:

   • 20 percent (plus applicable surcharge and "Education Cess") of the capital gains as computed after indexation of the cost.
   Or

• 10 percent (plus applicable surcharge and "Education Cess") of the capital gains as computed without indexation.

5. In accordance with Section 111A capital gains arising from the transfer of a short term asset being an equity share in a company and such transaction is chargeable to securities transaction tax, the tax payable on the total income shall be the aggregate of
   (i) the amount of income-tax calculated on such short term capital gains at the rate of 15 percent (plus applicable surcharge and "Education Cess")
   and
   (ii) the amount of income-tax payable on the balance amount of the total income as if such balance amount were the total income.

6. In accordance with section 35DDA, the company is eligible for deduction in respect of payments made to its employees in connection with their voluntary retirement for an amount equal to 1/5th of the amount so paid for that previous year, and the balance in four equal installments for each of the succeeding previous years subject to conditions specified in that section.

7. In accordance with section 35D, the company is eligible for deduction in respect of specified preliminary expenditure incurred by the company in connection with extension of its undertaking or in connection with setting up a new unit for an amount equal to 1/5th of such expenses for each of the five successive previous years beginning with the previous year in which the extension of the undertaking is completed or the new unit commences production or operation, subject to conditions and limits specified in that section.

8. In accordance with section 80-IA, the company can claim, subject to fulfilment of certain conditions, deduction of an amount equal to hundred percent of the profits and gains derived from the business of, development of Infrastructure facilities including construction of roads, bridges, rail systems, highways, irrigation projects, ports etc, for Ten consecutive assessment years out of Twenty years beginning from the year in which the company develops such facility.

9. In accordance with section 35, the company is eligible for –
10. • Deduction in respect of any expenditure (not being in the nature of capital expenditure) on scientific research related to the business subject to conditions specified in that section.
    • As per section 35(2AA) a deduction of 200% shall be allowed as a deduction of the sum paid by the company, to a National Laboratory or a University or an Indian Institute of Technology or a specified person as specified in this section with a specific direction that the sum shall be used for scientific research undertaken under a programme approved in this behalf by the specified authority subject to conditions specified in that section.

11. The amount of tax paid under section 115JB by the company for any assessment year beginning on or after April 1, 2006 will be available as credit for ten years succeeding the assessment year in which MAT credit becomes allowable in accordance with the provisions of section 115JAA of the Act.

Notes:

The above Statement of Possible Special Tax Benefits sets out the possible tax benefits available to the Company under the current tax laws presently in force in India. Several of these benefits are dependent on the Company fulfilling the conditions prescribed under the relevant tax laws.

SECTION IV: ABOUT THE COMPANY

OUR INDUSTRY

Introduction

The Gems and Jewellery sector plays a significant role in the Indian economy, contributing around 6-7 per cent of the country's GDP. One of the fastest growing sectors, it is extremely export oriented and labour intensive.

Based on its potential for growth and value addition, the Government of India has declared the Gems and Jewellery sector as a focus area for export promotion. The Government has recently undertaken various measures to promote investments and to upgrade technology and skills to promote 'Brand India' in the international market.

The Indian Gems and Jewellery industry has gained popularity worldwide because of its talented craftsmen and its superior practices in cutting and polishing fine diamonds and precious stones. The market in India is expected to grow at a compound annual growth rate of 16% over the period 2014-19 according to an industry report. India is deemed to be the hub of the global jewellery market because of its low costs and availability of high-skilled labour. The Industry currently employs around 4.5 million skilled and semi-skilled workers across India and is expected to provide employment opportunities to more than 8.23 million persons by 2022.

India's gems and jewellery exports jumped by 8.95 per cent for financial year 2016-17 on recovery in demand from the United States (US), Hong Kong and the United Arab Emirates (UAE), the three destinations accounting for over 75 per cent of India's overall shipment of precious ornaments by value.

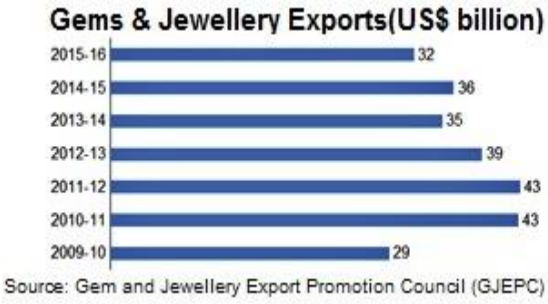
India is the world's largest cutting and polishing centre for diamonds, with the cutting and polishing industry being well supported by government policies. Moreover, India exports 95 per cent of the world's diamonds, as per statistics from the Gems and Jewellery Export promotion Council (GJEPC). India's Gems and Jewellery sector has been contributing in a big way to the country's foreign exchange earnings (FEEs). The Government of India has viewed the sector as a thrust area for export promotion. The Indian government presently allows 100 per cent Foreign Direct Investment (FDI) in the sector through the automatic route.

- Net Gems and Jewellery exports for 2015-16 was to the tune of US$ 32 bn as compared to US$ 36.2 bn in 2014-15
- In terms of segments, exports for 2015-16 were as follows: Cut and polished diamonds: US $ 20 bn, Gold Medallions and coins: US$ 5.2 bn, Silver Jewellery: US$ 3 bn
- The falls in exports have been due to slowdown in global economy and lack of demand for luxury good.
- The export performance for current year is also expected to be under pressure, though improvement of business sentiment would exist in America, which is the world's largest consumer ; as well as 50 per cent of India's diamond jewellery production
- Indian Gems and Jewellery industry is one of the largest in the world with a share of 29% in global jewellery consumption
- India is the world's largest cutting and polishing centre for diamonds
- With an 8% share, India has become the world's third largest diamond consumer
- India is the largest consumer of gold, accounting for nearly 29% of the total world gold consumption
- Establishing 'Diamond Bourses' to make India a international trading hub
- Gold jewellery forms around 80% of the Indian jewellery market

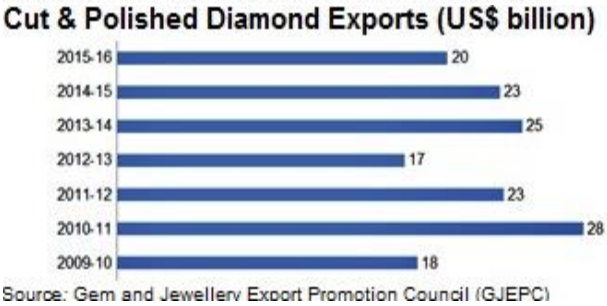
- There are more than 3,00,000 Gems & Jewellery players across the country, with majority being small players

- Increasing base of consumers as well as growth of HNIs that will contribute to the continued fast pace growth of organized jewellery retail in India

- It provides employment to nearly 2.5 million people with the potential to generate employment of 0.7 to 1.5 million over the next five years

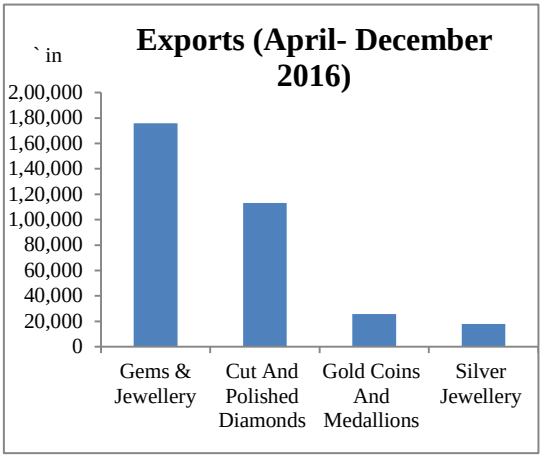


Source: Gem and Jewellery Export Promotion Council (GJEPC)



Source: Gem and Jewellery Export Promotion Council (GJEPC)

Source: *Vibrant Gujarat 8th Global Summit & IBEF Gems & Jewelry Industry India.*



Market size

The gems and jewellery market in India is home to more than 500,000 players, with the majority being small players.

India is one of the largest exporters of gems and jewellery and the industry is considered to play a vital role in the Indian economy as it contributes a major chunk to the total foreign reserves of the country. UAE, US, Russia, Singapore, Hong Kong, Latin America and China are the biggest importers of Indian jewellery. India's gems and jewellery exports to the US rose 7.81 per cent year-on-year during October-December 2016 due to a revival in the overall economic activity in the US.

The overall net exports of Gems & Jewellery during April-December 2016 stood at Rs 175,879.24 crore (US$ 26.28 billion), whereas exports of cut and polished diamonds stood at Rs 113,171.17 crore (US$ 16.91 billion). Exports of gold coins and medallions stood at Rs 25,819.48 crore (US$ 3.86 billion) and silver jewellery export stood at Rs 18,010.72 crore (US$ 2.69 billion) during April-December 2016. According to GJEPC, gems and jewellery exports are likely to witness a growth of about 10 per cent this fiscal due to increasing demand in the US and Europe.

According to a report by Research and Markets, the jewellery market in India is expected to grow at a Compound Annual Growth Rate (CAGR) of 15.95 per cent over the period 2014-2019.

Investments/Developments

The Gems and Jewellery sector is witnessing changes in consumer preferences due to adoption of western lifestyle. Consumers are demanding new designs and varieties in jewellery, and branded jewellers are able to

fulfil their changing demands better than the local unorganised players. Moreover, increase in per capita income has led to an increase in sales of jewellery, as jewellery is a status symbol in India.

The cumulative Foreign Direct Investment (FDI) inflows in diamond and gold ornaments in the period April 2000-December 2016 were US$ 893.26 (₹ 4,994.17 Cr.) representing 0.28% of total FDI Inflows, according to Department of Industrial Policy and Promotion (DIPP).
Some of the key investments in this industry are listed below.

- The International Institute of Diamond Grading & Research (IIDGR) has invested US$ 5 million for expanding its synthetic diamond testing facility in Surat.

- Kalyan Jewellers plans to invest Rs 500 crore (US$ 75 million) to add 15 new showrooms in 2017, to add to their on-going expansion in Northern and Eastern regions of India as well as expansion in West Asia. They also have plans to invest Rs 900 crore (US$ 133.55 million) over the next three years to expand its presence in the international markets like Sri Lanka, Singapore and Malaysia.

- London's ultra-luxury jeweller for the super-rich, Faberge, owned by the world's top emeralds and rubies-miner Gemfields Plc., has decided to enter India; Delhi and Mumbai, India's economic hotspots will be Faberge's beachhead in the country, where the jeweller will sell its products by select trunk shows for the uber-rich.

- Rajesh Exports Limited (REL), a jewellery exporter and retailer, has won an export order contract worth Rs 1,045 crore (US$ 154.85 million) of designer range of gold and diamond-studded jewellery and medallions from Singapore.

- KSS Limited, a digital and entertainment major, has forayed into the jewellery retailing business under the franchise model and is looking to open 500 stores under brand 'Bjewelz' which is owned by Birla Jewels Limited, a wholly owned subsidiary of KSS Limited.

- Melorra, a Bengaluru-based online jewellery start-up, has raised US$ 5 million funding from venture capital firm Lightbox Ventures, to build its brand, enhance its technology platform, and talent acquisition.

- Major mining companies such as Rio Tinto, De Beers and Alrosa have decided to participate in the Indian Diamond Trading Centre (IDTC) which has been set up to eliminate the middlemen in diamond trade and allow Indian manufacturers to deal directly with miners.

- India Bullion and Jewellers Association (IBJA) has signed an pact with the Bombay Stock Exchange (BSE) for setting up India's first bullion exchange through a Special Purpose Vehicle (SPV), wherein IBJA and its constituents will hold 70 per cent and BSE will hold 30 per cent stake.

- Global luxury brand Montblanc International has entered into a joint venture with India's largest watch maker Titan Co Ltd and plans to start the retail operations in India by opening five Montblanc boutiques in Mumbai, Delhi, Hyderabad and Pune.

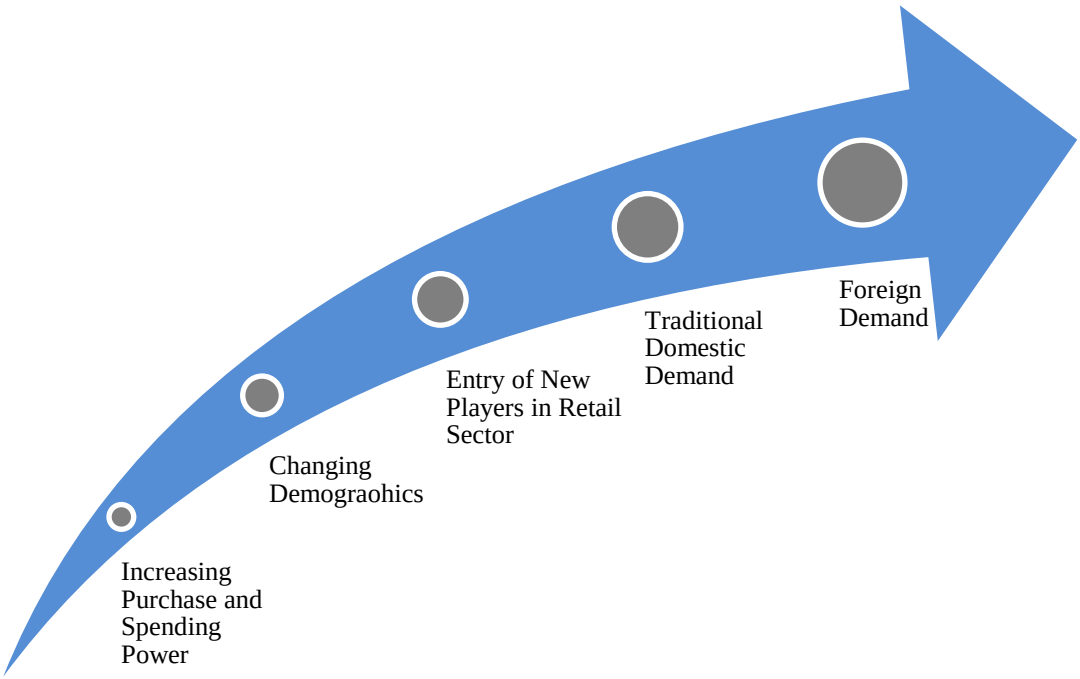
- Jewellery major Joyalukkas plans to invest Rs 1,500 crore (US$ 220.08 million) on setting up 20 stores in India and 10 overseas. The new stores, which will come up almost in a year's time, will add to the Thrissur-headquartered company's existing 95 outlets.

- London-headquartered Gemfields, a multi-national firm specialising in colour gemstones mining and marketing, is planning to acquire colour gemstone mines in Odisha and Jharkhand, and participate in the exploration of the Kashmir sapphire mines in Jammu & Kashmir.

- The India arm of US private equity (PE) firm Warburg Pincus picked up a minority stake in Kerala-based Kalyan Jewellers for Rs 1,200 crore (US$ 176 million). The jeweller plans to use the proceeds to fund its retail and manufacturing expansion plans.

- Creador, a PE firm focused on long-term investments in growth-oriented businesses in Indonesia, India, Malaysia and Singapore, invested Rs 135 crore (US$ 20.28 million) for a minority stake in PC Jeweller Limited.

Key Growth Derivers



- **Increasing Purchase and Spending Power-** Increasing Purchase and Spending Power Changing Demographics Entry of New Players in Retail Sector Traditional Domestic Demand Foreign Demand.

- **Changing Demographics-** India has one of the youngest population in the world. The rise of the working woman and the metro-sexual man with preferences for wearable jewellery continues to provide growth.

- **Entry of New Players in Retail Sector-** It is anticipated that large investments of about USD 1 billion in the coming years would be made by large retailers/brands which would catalyze the growth of the industry, set higher standards and create value across the value chain.

- **Traditional Domestic Demand-** Tradition of buying jewellery during important festivals like Diwali and Dhanteras and during weddings; great attractiveness of gold as an investment option

- **Foreign Demand-** The sector is the second largest foreign exchange earner in the Indian economy; contributing ~15% to the total export earnings of the country

Source: *Vibrant Gujarat 8th Global Summit*

Diamond Industry in Surat:

Surat is the largest diamond processing cluster in the world and is known as the "Diamond Polishing hub of India" with more than 3500 diamond processing units.

- The Surat Diamond Bourse (SDB) would be the second diamond trading hub based at Surat.

- It would be spread across 100 acres with availability of 15 Million Sq.ft. built up area encompassing 10,000 offices for national & international traders

- It would be set up in next 4 years with approximate investment of Rs. 125,000 crore
- SDB is likely to generate additional business worth Rs. 90,000 crore annually.

FUTURE PROSPECTS IN SURAT: *DREAM City – A Smart City, is being developed close to Surat. It would be spread over 2,000 acres, and will house an International Diamond Trading Hub and a Diamond Bourse.*

Source: *Vibrant Gujarat 8th Global Summit*

Government Initiatives

- In the Union Budget 2017-18, the Government of India, offered tax cuts for the middle class and other sections of society (5 per cent for the Rs 250,000-500,000 tax slab; which was 10 per cent initially). All these measures will drive consumption, which will be favourable to the gems and jewellery industry.
- The Government of India's proposal to cut corporate tax rates to 25 per cent for micro, small and medium enterprises (MSMEs) having annual turnover up to Rs 50 crore (US$ 7.5 million) will benefit a large number of gems and jewellery exporters from MSME category.
- The Government of India's announcement on establishing gold spot exchange could help in India's participation in determining gold price in the international markets.
- The demonetisation move is encouraging people to use plastic money, debit/ credit cards for buying jewellery. This is good for the industry in the long run and will create more transparency.
- The Reserve Bank of India has announced norms for gold monetisation scheme, which allows individuals, trusts and mutual funds to deposit gold with banks in return for interest, to help reduce gold imports and alleviate pressure on trade balance.
- The Reserve Bank of India (RBI) has liberalised gold import norms. With this, star and premier export houses can import the commodity, while banks and nominated agencies can offer gold for domestic use as loans to bullion traders and jewellers.
- India has signed a Memorandum of Understanding (MoU) with Russia to source data on diamond trade between the two countries. India is the top global processor of diamonds, while Russia is the largest rough diamond producer. The Government of India is planning to establish a special zone with tax benefits for diamond import and trading in Mumbai, in an effort to develop the city as a rival to Antwerp and Dubai, which are currently the top trading hubs for diamond.
- Due to shortage of skilled manpower, the Gems and Jewellery Skill Council of India is planning to train over four million people till 2022. The council aims to train, skill and enhance 4.07 million people by 2022. The council plans to tie-up with the existing training institutes including Gemological Institute of America (GIA) and Indian Gemological Institute (IGI), along with setting up of new institutes in major diamond cutting and processing centres, GJEPC said in a statement.
- The GJEPC has also proposed to develop a jewellery park on Thane-Belapur Road which is around five kilometers from Mumbai with a view to boost the Mumbai-based jewellery industry by providing modern facilities and services.
- Indian Institute of Gems & Jewellery (IIGJ) Mumbai, a project of the GJEPC, has come-up with three-year Graduate Program in Jewellery Design & Manufacturing Techniques with an introduction to Management studies in collaboration with Welingkar Institute of Management.
- In September 2015, the Government of India approved the gold monetisation plan in the form of revamped Gold Deposit Scheme (GDS) and the Gold Metal Loan (GML) Scheme to mobilise tonnes of gold stored in households and temples across the country. The Union Cabinet also approved the

introduction of Sovereign Gold Bond Scheme, under which gold bonds denominated in grams of gold will be issued to individuals by the Reserve Bank of India (RBI), in consultation with Ministry of Finance.

Policy Initiatives & Investments

FDI Policy

- 100% Foreign Direct Investment (FDI) through automatic route is allowed in the sector.

Exports

- The net exports of Gems and Jewellery during FY 2015-16 was USD 39.28 billion. The export of cut and polished diamonds stood at USD 21 billion in FY 2015-16 as against USD 17 billion in FY 2012-13.

Fiscal incentives

- Customs duty on import of Imitation Jewellery increased from existing level of 10% to 15% with the view to protect local manufacturers (Budget 2016-17).
- In order to provide clarity, section 10AA of the Income-tax Act has been amended to provide a sunset date of March 31, 2020 for commencement of activity of manufacture or production of any article or thing or providing services by a unit located in a Special Economic Zone (SEZs) for availing the deduction under the section.
- The Small Scale Industry (SSI) eligibility limit has been raised from INR 12 crore to INR 15 crore.
- SSI exemption limit has been raised to INR 10 crore as against INR 6 crore in a financial year.
- A separate Harmonised Systems Code (HS Code) for lab-grown diamonds has been issued (Budget 2016-17). This would help create a fair trade environment for natural and lab-grown diamonds.
- Exporters of Imitation Jewellery segment are being incentivized under Interest Equalization Scheme and Merchandise Exports from India Scheme (MEIS).
- Exports of notified goods/products to notified markets, is rewarded under MEIS in form of Duty Credit Scrips. The MEIS reward rate for Imitation Jewellery is 5%.
- Interest Equalisation Scheme (previously known as Interest Subvention Scheme) on Pre & Post Shipment Rupee Export Credit was approved with effect from 1st April, 2015 for five years. Under the scheme, Banks reduce the interest rate charged to the eligible exporters as per extant guidelines on interest rates on advances by the rate of interest equalization. The current rate of interest equalisation is 3 %.

Major Investments & FDI Inflows:

3.6 times growth in FDI equity inflow in Diamond, Gold & Ornaments from USD 95.17 million (April 2012-March 2014) to USD 338.72 million (April 2014- March 2016).

Sr. No.	Name of Indian Company	Country	Name of Foreign Collaborator	FDI Equity Inflows (USD Million)
1	Kalyan Jewellers India Pvt. Ltd.	Mauritius	Highdell Investments Ltd.	193.18
2	Caratlane Trading Pvt Ltd	Singapore	Internet Fund III Pte Ltd	29.81
3	Firestar International Pvt Ltd.	Cyprus	Jade Bridge Holdings Ltd.	20.26
4	Firestar International Pvt Ltd.	Mauritius	Forocom Worldwide Investment Ltd	17.71

During April 2016-December 2016), a total of USD 121.21 million has been received as FDI. equity inflow in Diamond, Gold & Ornaments.

Source: *Make in India Gems and Jewelry achievement report dated January 18, 2017.*

Road Ahead

In the coming years, growth in Gems and Jewellery sector would be largely contributed by the development of large retailers/brands. Established brands are guiding the organised market and are opening opportunities to grow. Increasing penetration of organised players provides variety in terms of products and designs. Also, the relaxation of restrictions of gold import is likely to provide a fillip to the industry. The improvement in availability along with the reintroduction of low cost gold metal loans and likely stabilisation of gold prices at lower levels is expected to drive volume growth for jewellers over short to medium term. The demand for jewellery is expected to be significantly supported by the recent positive developments in the industry.

Source: *IBEF Gems & Jewelry Industry India.*

OUR BUSINESS

We are engaged in manufacturing and exporting of rough and polished diamonds procured from the trusted and certified suppliers and in jewelry making. We are also involved in trading of diamond and processing by trained and qualified workers on job work basis. Our product range includes rings, chain, mangalsutra, earrings and necklaces, which are carefully handcrafted by skilled artisans.

We have our manufacturing facility at our factory unit located in Sachin (S.E.Z), Gujarat having a total area of approximately 1,000 sq. ft. As on March 31, 2017, this facility had a capacity of Gold and Silver Jewellery of 35,000 gram per month. In the month of July 2017, the Company have consumed 1,000 gram of Silver and 28 gram of Gold. This facility for manufacturing of Diamonds Jewellery have been recognized for its quality Management System with ISO 9001:2015 vide certificate issued on July 13, 2017.

We are promoted by Mr. Vaibhav Dipak Shah and SG Diamonds LLP. He started working in a local diamond shop where he learned the basics of diamond and decided further to plunge deep in the world of perpetual sparkle.

The subsequent chapter was Surat, which is the major hub for diamond cutting and polishing. He started his own venture in May 2010 as proprietary firm.

Our Promoter and Director, Mr. Vaibhav Dipak Shah, was doing the business since 2010 of Manufacturing and trading of Diamonds, gold, precious stones etc. On April 25, 2017, through a Business Transfer Agreement, Sagar Gems has been acquired by Sagar Diamonds Limited, a company also promoted by Mr. Vaibhav Dipak Shah, through Business Transfer Agreement entered between Sagar gems a proprietary firm of Mr. Vaibhav Dipak Shah and Sagar Diamonds Limited in a view of corporatization of their business.

We believe that we carry out extensive quality checks and source our diamonds from reliable and recognized suppliers to maintain the standard and quality of diamonds. We are providing quality that ensures customer satisfaction. We believe that we have long-term and stable relationships developed over the years with our key suppliers and our key customers although we do not have formal contracts.

We are always committed to fulfill the requirements of our clientele according to their needs. In order to meet these requirements, we have adapted to ISO 9001:2015 by Quality council of international certification UK by International Accreditation Bureau.

We have independent sales and distribution networks for our products. A substantial majority of our cut and polished diamonds are exported to diamond wholesalers and the jewellery manufacturers in the export markets. We procure diamond from suppliers at domestic and international market depending upon the needs and requirement and we believe that we have good business association with suppliers. All purchase are made through the unit in Sachin SEZ.

Our revenue from operation has increased from NIL to ₹ 9,99,89,350 in Fiscal 2017 as compared to Fiscal 2016 and further in the period ended June 20, 2017, the revenue from operations is ₹ 10,28,55,678. Our Company has made profit after tax of ₹ 34,01,970 in Fiscal 2017 from (5,750) in Fiscal 2016. Further our company, in the period ended June 20, 2017, made profit after tax ₹ 29,49,697.

RECOGNITIONS & AFFILIATIONS

ISO 9001:2015 – our company's quality management system has been certified vide certificate dated July 13, 2017 bearing certificate no. QC17MOY7576 and has been recognized in trade, manufacture, import & export, exhibit or deal in, undertake process in gold, silver, diamonds, rough diamonds, industrial diamonds, precious diamonds, precious and semiprecious stones.

Sagar Gems has obtained registration cum membership certificate as Merchant exporter from the Gem & jewelry export promotional council bearing IEC Number 5210004937 and the company in the process of updating the same in the name of the company.

ORDER BOOK

Our order book consists of following from Diamond Vision Limited from Hong Kong as on the date of this Red Herring Prospectus:

1. Dated June 01, 2017 consists of 5 PCS, Pendent and 9 PCS, Ring (cut and polished diamond studded jewellery.
2. Dated June 02, 2017 consists of 28 PCS, pendent and 114 PCS, Ring (cut and polished diamond studded jewellery.
3. Dated July 03, 2017 consists of 156 PCS, pendent and 3 PCS, Ring (cut and polished diamond studded jewellery

LOCATION

Registered office / Factory Location	Unit No.101, Plot 193, Surat Special Economic Zone, Sachin, Surat – 394230, Gujarat
Corporate Office	304, Prasad Chambers, Opera House, Mumbai 400 004, Maharashtra

Our Product Portfolio:

3. Diamonds:

We are currently engaged in the business of manufacturing and trading of diamonds. Currently we trade in the diamond sector.

4. Jewellery:

We are also engaged in the business of jewellery making and marketing. We sell a wide range of jewellery products including cut and polished diamond studded jewellery to diverse customer segments, from the value market to high-end customized jewellery. Our product profile for jewellery is explained below:

- Rings
- Earrings
- Pendants
- Mangalsutra

Sagar Diamonds Limited

MANUFACTURING PROCESS OF DIAMOND JEWELLERY

Rubber Mould

- Model (Piece of Jewelry that you want to make a mould out of) is embedded within a sandwich of natural rubber sheets. The whole assembly is then placed in a heated press where the rubber around the model is compacted by a combination of heat and pressure and cures the rubber to a stable condition

Wax Injection

- Wax replicas are produced from the completed moulds. Those wax patterns are generally produced by injecting liquid wax, specially formulated for the process, at 7 pounds air pressure into a master mould and allowing it to solidify under pressure.

Diamond Assortment & Wax Setting

- Raw diamonds are probably sorted first as to color and clarity, those being the highest-value natural characteristics.
- Method of "Setting Stones in Wax" is one of the most revolutionary advances in recent years.

Casting

- Casting is a process of making jewelry pieces that involves the pouring of liquid metal alloy into a mould which contains a hollow cavity of the desired shape, and then allowing it to cool and solidify. This solidified part is known as casting,

Mechanical Finish

- Mechanical finishes can be categorized by the way how the parts to be finished are handled: • Individually handled and finished using wheel abrasion or hand abrasion • Mass finishing using tumbling barrels or vibratory finishers.

Assembly

- Assembly is the process wherein the components of a piece of jewelry are assembled together. For instance, two toned rings or rings with mounts would require sub-assemblies.

Manual Setting

- In some cases where the piece of diamond is a bit big it is set with manual help. The reason of such requirement is that machines deal with a standard size of diamond and in case of specific size and cut a manual setting is required.

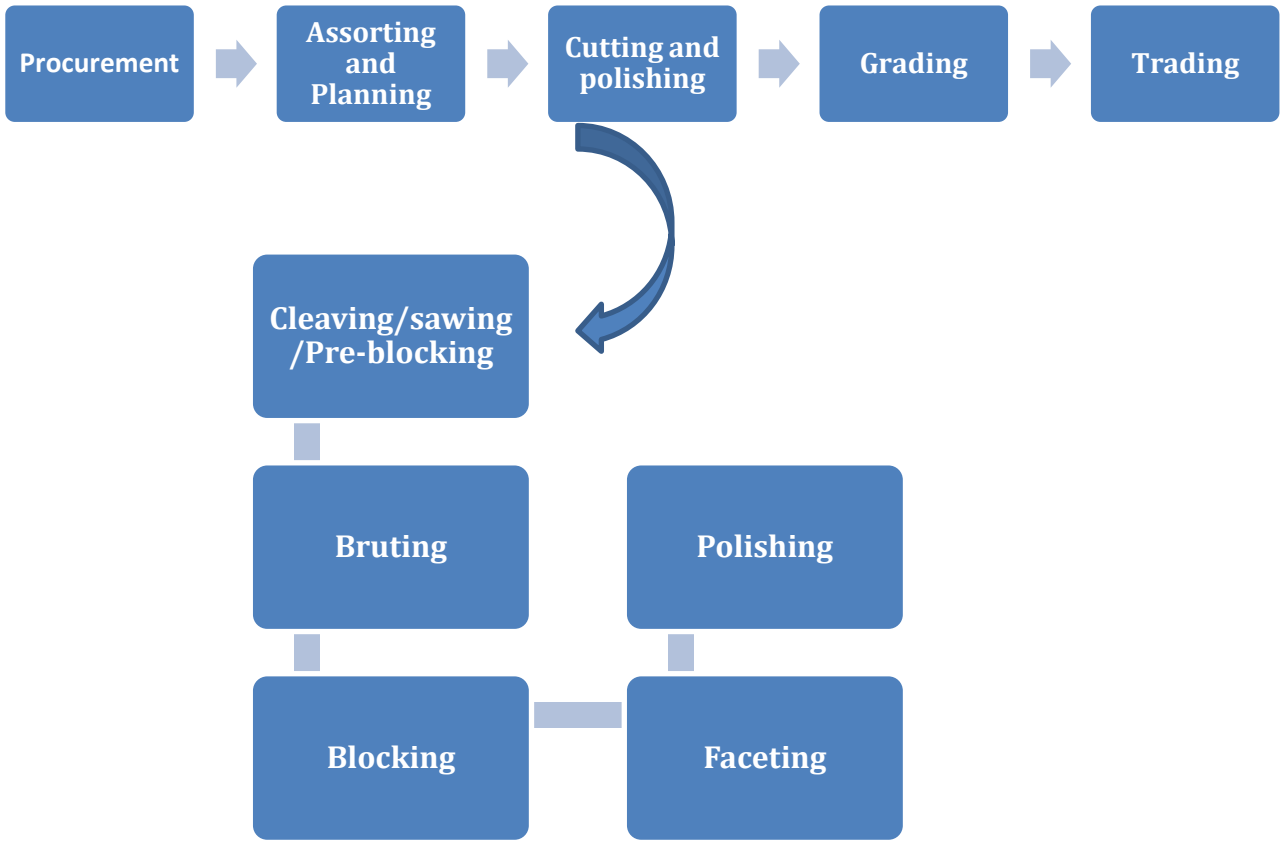
Polishing

- This is the final polish of the piece of jewelry. The idea of polishing is to add shine to the entire piece of jewelry.

Rhodium Masking

- Rhodium is a sparkling white colored precious metal. When a piece of jewelry is plated with rhodium, it gives a white reflective appearance and provides the jewelry piece better resistance to scratches and tarnish.

MANUFACTURING OF CUT AND POLISHED DIAMONDS



1. **Procurement:** The key raw material procured by us is rough diamonds. Generally, personnel from our team track and analyse the latest market trends and demand. Based on the research, our personnel personally visit the markets (overseas and domestic) for purchasing rough diamonds, after carefully examining them in terms of cut, colour, clarity and carats. Rough diamonds are mainly imported through Mumbai and then couriered to our manufacturing units.

2. **Assorting and Planning:** Assorting refers to the categorization of rough diamonds into different types, while planning refers to determining how a diamond needs to be cut so as to get the maximum yield / maximum value from the rough diamond. Planning is one of the most critical aspects in the manufacturing. Rough diamonds need to be sorted on the basis of whether they are makeable or not, on the basis of colour, size etc. Non-make-able diamonds then need to be planned so as to reduce wastage and maximise yield.

3. **Cutting and Polishing**
   - **Cleaving / Sawing** - Once planned, the diamond is either manually cleaved or sawed, i.e. it is cut into one or more pieces based on the plan. Sawing is either done with a diamond-coated rotary saw or a laser. Generally, small sized diamonds are signed manually. The rough diamonds which cannot be cleaved are sawed

- **Bruting and Blocking** - Bruting is the process of giving shape to the rough diamond. The bruter has to take utmost care of the diamond so that it does not break. In the whole process of bruiting, the main aim of the bruter is to give shape to the rough diamond in such a way that its optimum effect can be achieved by the polisher, without any extra weight loss.

- **Faceting -** Faceting is the first step of polishing. In a diamond, faceting and polishing occur simultaneously. The cutting and polishing of each facet is accomplished by attaching the stone to a dop stick and pressing it against a revolving plate (saran). During this faceting stage, the angles of each facet must be cut in order to maintain symmetry and produce maximum brilliance.

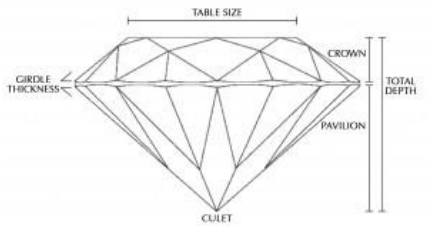
- **Polishing** - A diamond then passes to the polishing phase where the diamond gets its final look. This is the last step in the manufacturing process of the diamond from where it goes to the grading department. In this process, the cut and polished diamond is boiled in a solution of hydrochloride and sulphuric acid to remove oil, diamond, powder and dirt. After completion of polishing, the smaller packets are put together in the original packet and sent for final inspection. During the entire process, strict quality control measures are taken and the diamond passes through a computerized network which keeps track of every single diamond.

4. **Grading:** The polished diamonds are then graded on the basis of colour, clarity, cut and carat. A critical component in determining the price is thus appropriate grading of the diamond. The graded parameters are noted down for each diamond.

5. **Trading:** Trading refers to the process by which cut and polished diamonds are sold. Once we separate the diamonds based on different sizes, colours and clarities, we then send the finished diamonds to our offices in Mumbai from where they are in turn exported.

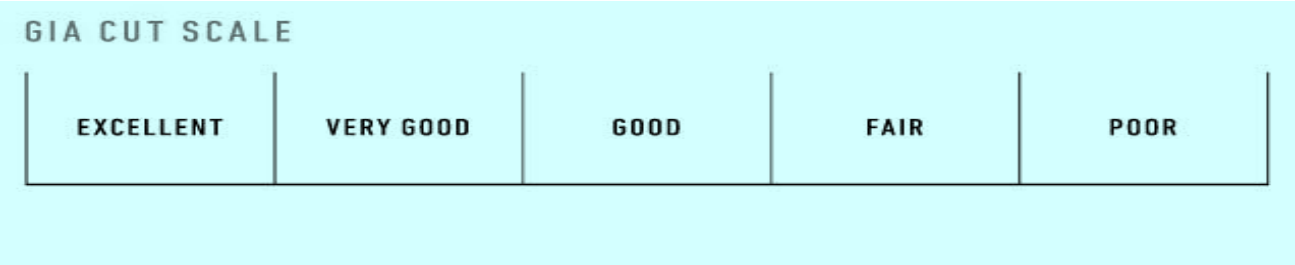
The Four C's that are unique to each diamond determines the quality and value of a finished diamond.

CUT



The Cut is the most vital of all characteristics in a diamond. The way a diamond is cut makes an essential contribution to its interaction with light. Diamonds have an exceptional capability to reflect and manipulate light to maximize their brilliance. A skilled cutting allows the light to be dispersed and reflected as a rainbow of color, which gives a diamond its incredible brightness, fire and scintillation. Diamonds that are cut incorrectly lose light through the sides or bottom of the diamond resulting in a poor, less brilliant diamond.

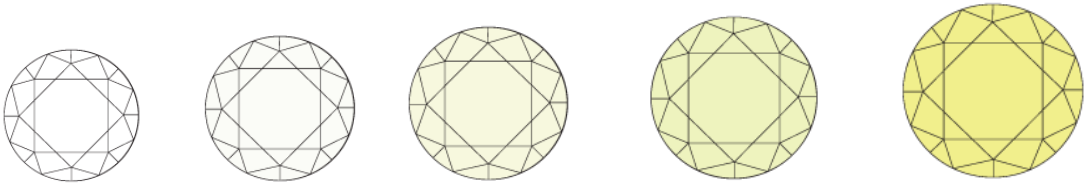
Cut grading is determined by looking at a diamond's overall face-up appearance, fire, brightness, scintillation, weight ratio, durability, polish and symmetry. The cut grade varies from excellent to poor cut.



COLOR

Color is the second most important characteristics of a diamond after cut. Diamonds come in different colors, but the most common color is subtle shades of yellow and brown. The translucent diamonds are considered to be structurally perfect, but they are rare to come by. Diamonds get their color by the presence of trace elements like nitrogen, which imparts yellow color, boron imparts blue color or sometimes the natural radiation from nearby rocks trap electrons impart green surface color and pink or red shades are due to changes to the electron structure during the voyage to the surface.

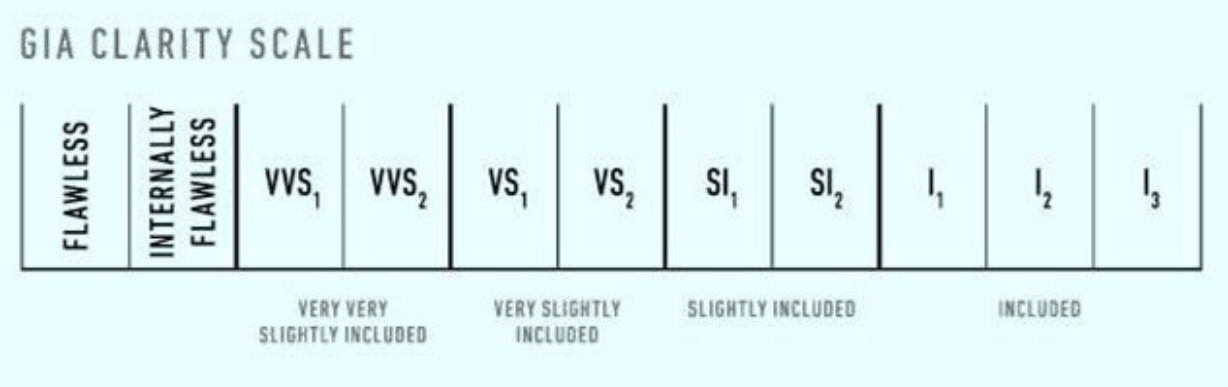
Diamonds are valued by how closely they approach colorlessness – the less the color, the higher their value. A color grade of D is the highest grade possible, while Z is the lowest on the scale.

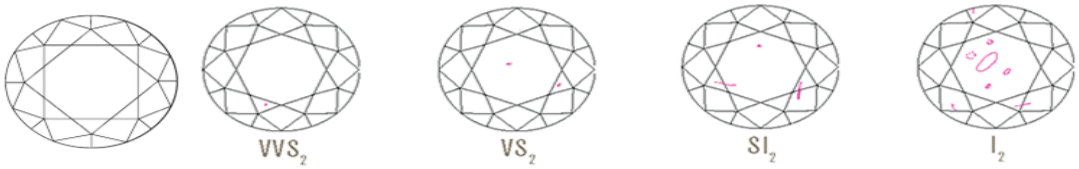


CLARITY

Diamonds have internal features called inclusions and surface irregularities called blemishes. Clarity is the relative absence of inclusions and blemishes. Diamonds with the least and smallest inclusions receive the higher clarity grades. Diamonds that have no hints of inclusions or blemishes are graded flawless /internally flawless clarity.

All diamonds are graded for clarity using the 11 point diamond clarity scale created by the GIA.

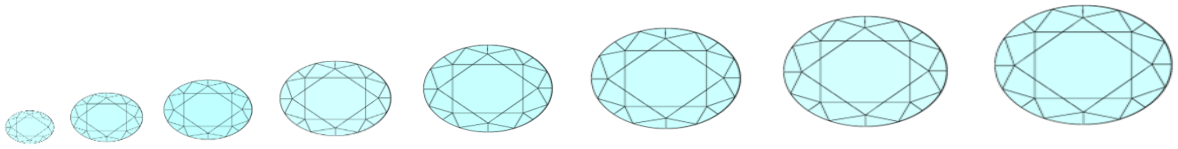




CARAT

Diamond weight is expressed in metric measurements called carats where one carat is equal to 200 milligrams. The word carat originates from the Greek term Keratin for fruit of carob. In the earlier times there was absence of an accurate unit for precise weight measurements of diamonds. The small seeds of the carob fruit were considered to be fairly uniform in size and weight. Hence they provided a consistent basis for gem weight. Early gem traders used this method until 20th century when a carat was standardized as 0.2 gram.

Here weight equals money so cutters try to retain as much weight as possible when they fashion diamond rough. However two diamonds of equal weight can have very different values depending on the other members of the Four C's, which are cut, color and clarity.



0.25 0.50 0.75 1.00 1.50 2.00 3.00 4.00

OUR COMPETITIVE STRENGTHS

1. Existing distribution and sales networks in domestic and international market and our geographical benefit

We believe that our Company is having good channel for distribution to the retailers as well as end use customers. Majority of active Diamond and Jewellery exporters are based in Mumbai and Surat, which provides a very good platform for our business. We have excellent domestic market within the state of Gujarat and international market and our Company is looking forward for expansion of its geographical market as there is lots of opportunities in India and overseas region.

2. Quality Products

Our Company believes in providing quality products to our customers. We are devoted to quality assurance. The defective pieces found after undergoing the quality check process are discarded. The quality checks ensure that no defective diamond reached the customer and ensure reduced process rejection. We believe that our quality products have earned us a goodwill from our customers, which has resulted in customer retention and order repetition also new addition to the customer base.

3. Experience of Management and Employee expertise.

Our Managing Director, Mr. Vaibhav Dipak Shah has been actively involved in the field of manufacturing and trading of Diamonds etc. Pursuant to understanding the business he has developed wholesale trading business in diamond and successfully launched business ventures in diamond. Our management has adequate and rich experience in our business. The team comprises of personnel having operational and business development experience. We believe that our management experience and their understanding of our industry will enable us to continue to take advantage of both current and future market opportunities. Our Company is having a number of experienced staff. There is a good communication system between all the levels of management level i.e. from top level management to bottom level. Our Company is having 13 employees. Their skills can be used for the growth of the Company. Our Management's experience and knowledge enables us in addressing and mitigating various risks inherent in our business, including competition, reliance on independent contractors, the global economic crisis related effects and fluctuations in the prices.

OUR STRATEGIES

1. Work with our existing suppliers.

Instead of finding new suppliers, we support our existing suppliers to boost their sourcing power to help them actively market our products or services.

2. Increase our business development appetite by augmenting our available working capital resources.

We operate in a working capital intensive industry. The working capital financing ability is a key competitive trait in the polished and cut diamond export business because of the commodity nature of the product. We need working capital for raw material as well as finished goods stock and also for supporting our clients with reasonable lines of credit. Hence, we believe that in order to continue our strong revenue growth we will need to ensure that we are well funded from a working capital perspective. Currently through this IPO we are exploring the same and is looking forward for various other scopes in future.

3. To provide customized service.

We always treat our customers with courtesy and radiate professionalism. We treat every Customer with empathy and understanding even if occasionally you have to refuse a request. This sort of treatment will go a long way toward creating loyal, higher-volume wholesale customers.

4. Improve our internal processes and systems

Our Promoter and Director, Mr. Vaibhav Dipak Shah, has been doing the business since 2010 of Manufacturing and trading of Diamonds, gold, precious stones etc. On April 01, 2017, Sagar Gems has been acquired by Sagar Diamonds Limited, a company also promoted by Mr. Vaibhav Dipak Shah, through Business Transfer Agreement entered between Sagar Gems an Proprietary firm of Mr. Vaibhav Dipak Shah and Sagar Diamonds Limited in a view of corporatization of their Business. We have been operating as a family run private limited company for all these years and hence many of our internal systems and processes are highly promoter driven. We propose to improve our internal processes and systems in order to make the company less dependent on our promoter family and hence increase our ability to grow at a faster rate with investor and banking support.

TOP 10 CUSTOMERS AND THEIR REVENUE

Sl. No.	Name of Customer*	Revenue (Rs. In Lacs)
1	Diamond Vision Limited	14,484.23
2	Down Town	9,548.38
3	Ramp International DMCC (Exp)	8,293.03
4	East West Traders	3,463.18
5	Aino International	2,962.95
6	M. Vasani Diam F.Z.C.	2,568.00
7	Neo International FZE (Exp)	963.95
8	Alpha Impex - Export	961.92
9	Liang Gem Ltd	329.82
10	Basilica Jewellery Ltd.	204.81

***the list of customers includes the names which are acquired through the business purchase of Sagar Gems.*

COLLABORATIONS/TIE UPS/ JOINT VENTURES

Our Company does not have Collaboration/Tie Ups/ Joint Ventures as on the date of this Red Herring Prospectus.

BUSINESS CONTINUITY AND DISASTER RECOVERY

We maintain alternative resources to reduce the risk of failure of internet links or internal networks. We have systems enabling switching to such alternate internet service providers for smooth functioning of our system like SEZ online system.

MARKETING AND DISTRIBUTION STRATEGY

We believe that brand value is an increasingly important factor in customers' buying decisions in the jewellery sector in India. Accordingly, we focus on brand-building by emphasizing the quality of our product design and the exclusivity of our products in all our marketing initiatives. We have exported in the Hongkong and Europe.

Our primary factors considered in marketing would be determining wholesaler buying decisions including creating customer confidence by providing them quality products as per their needs and requirement, offering price points for our products , timely and reliable delivery of or products together with the level and quality of customer service. This shall be achieved in particularly by appointing new Distributors / Dealers in larger towns in Gujarat. Our sales executives will serve well to the wholesalers. The company will put a great thrust on existing & newer customers by directly marketing its products to them by giving them reliable delivery and quality. The marketing strategy of the company is the combination of direct marketing, using the existing distribution network and sales force. Conversation with customers on an individual basis, educating them guiding them on the company's products all the year round is a part of the strategy. We support our marketing efforts with the activities at the grass root level through field work by maintaining regular contacts and meetings.

Our promoter, through their vast experience and good relations with clients, and owing to quality of products plays an instrumental role in creating and expanding a work platform for our Company.

COMPETITION

We face competition from both the organized and unorganized sectors of the jewellery business. Our competition depends on the products being offered by various companies in the organized segment besides several other factors like quality, price, after sale service and timely delivery. Competition emerges not only from organized sector but also from the unorganized sector and from both small and big regional and National players. Our experience in this business has enabled us to provide quality products in response to customer's demand for best quality. Our Major competitors are as stated below:

1. Marvel international Pvt. Ltd.
2. Yashvardhan Jewels
3. Leora Jewel Pvt. Ltd.
4. Kaviya Jewels
5. Shree Ram Krishna Export Pvt Ltd.

INTELLECTUAL PROPERTY

Trademark

Particulars of Mark	Word/Label/Device Mark	Application No.	Date of Application	Class	Status
	Device	3556456	May 24, 2017	14	Objected*

****** The Company has received an Examination Report dated July 11, 2017 from the Registrar of Trade Mark, Ahmedabad wherein the aforementioned Application No. 3556456 has been objected.*

HUMAN RESOURCE

As on the date of Red Herring Prospectus, the number of Employees of the company are as follows:

Sl. No.	Particulars	No. of Employees
1	Director	1
2	Company Secretary	1
3	Chief Financial Officer	1
4	Office Assistant	2
5	Worker	8
Total		13

IMMOVABLE PROPERTIES OF OUR COMPANY

Sl. No.	Details Property	Area	Period	Licensor/Vendor	Owned/Co-Owned/Leased
i.	Unit No.101, Plot 193, Surat Special Economic Zone, Sachin, Surat – 394 230	1000	For a period of 15 years with a provision to renew the same in blocks of 15 years up to the end of July of the year 2085 A.D.	Diamond and Gem Development Corporation Limited	Sub-leased
ii.	304, Prasad Chambers, Opera House, Mumbai 400 004#	Approx. 200 Sq. Ft.	12 months commencing from January 09, 2017 ending on January	Mr. Arafat Sopariwala, Mr. Shejad Ebrahim Sopariwala, Mrs. Farzana Shejad	Leased

			08, 2018	Sopariwala and Mrs. Zinat Sohel Sopariwala	

 # In the name of the Promoter and not registered

PLANT, MACHINERY, TECHNOLOGY, PROCESS

Machinery Details	Cost of Machine	Name of Supplier	Date of Order	Date of Supply
Burnout Furnace 6flask	71,400.00	Ayush Enterprise	March 03, 2017	April 19, 2017
3 in 1 Casting Machine	96,900.00	Ayush Enterprise	March 03, 2017	April 19, 2017
Wax Injector	18,564.00	Ayush Enterprise	March 03, 2017	April 19, 2017
Magnetic Polisher	33,456.00	Ayush Enterprise	March 03, 2017	April 19, 2017
Steamer	25,806.00	Ayush Enterprise	March 03, 2017	April 19, 2017
Ultrasonic Cleaner	18,564.00	Ayush Enterprise	March 03, 2017	April 19, 2017
Polishing Machine	35,700.00	Ayush Enterprise	March 03, 2017	April 19, 2017
Digital Pen Platter (Roudium Machine)	4,590.00	Ayush Enterprise	March 03, 2017	April 19, 2017
Digital Rectifier (Roudium Machine)	16,830.00	Ayush Enterprise	March 03, 2017	April 19, 2017
Hot Plate	10,710.00	Ayush Enterprise	March 03, 2017	April 19, 2017
Lapping Machine	25,500.00	Ayush Enterprise	March 03, 2017	April 19, 2017
Water Jet	66,300.00	Ayush Enterprise	March 03, 2017	April 19, 2017
Sqrue Grinding Machine	42,840.00	Ayush Enterprise	March 03, 2017	April 19, 2017
Wax Solder	1,530.00	Ayush Enterprise	March 03, 2017	April 19, 2017
Micro Motor	15,912.00	Ayush Enterprise	March 03, 2017	April 19, 2017

The Company has acquired the following machineries in the business transfer agreement entered between Sagar Gems and the Company:

Machinery Details	Cost of Machine	Name of Supplier	Date of Order	Date of Supply
Polishing Machine	33,600.00	Ankit Jewellery Tools and Machinery	April 04, 2016	May 17, 2016
Ultrasonic Cleaner	15,225.00	Ankit Jewellery Tools and Machinery	April 04, 2016	May 17, 2016
Steamer	17,325.00	Ankit Jewellery Tools and Machinery	April 04, 2016	May 17, 2016
Electronic Weighing Scale	51,000.00	Chaun The Jewel Techno Solution	November 21, 2015	November 30, 2015
Electronic Weighing	4,025.00	National Corporation	October 10, 2015	October 28,

Scale				2015
Gizzer	7,200.00	Shree Lights	July 10, 2015	July 17, 2015
Jewellery Tools Machinery	44,225.00	Z.A.N Jewellery Tools	September 20, 2015	September 23, 2015
Pelican	24,675.00	Ashta Traders	July 16, 15	July 20, 2015

- In case machines are yet to be delivered, the date of quotations relied upon for the cost estimates given shall also be mentioned.
- The percentage and value terms of the plant and machinery for which orders are yet to be placed shall be stated.
- The details of the second hand machinery bought or proposed to be bought, if any, including the age of the machines, balance estimated life, etc. shall also be given.

COLLABORATIONS, ANY PERFORMANCE GUARANTEE OR ASSISTANCE IN MARKETING BY THE COLLABORATORS

The Company haven't made any collaboration with any other entity.

INFRASTRUCTURE FACILITIES (WATER, ELECTRICITY)

Raw Material

Our Raw Material comprises mainly gold and diamonds. Raw Materials in our production process are procured domestically as well as internationally. Generally we procure Raw Material on the basis of management estimation based on past consumption and future estimation.

Quality Measure

We have stringent quality control process for procuring the raw material as well as manufacturing and sale of products. We check the quality of Diamond before start of manufacturing process and also check the quality of diamond once we receive completed diamond. The quality Assurance department monitors and examines the diamond designs inward in the stock to match the standard, thus the quality standard of diamond dealt with is maintained throughout and therefore, our customer's trust is sustained.

KEY INDUSTRY REGULATIONS AND POLICIES

In carrying on our business as described in the section titled "Our Business" on page no. 93 of this Red Herring Prospectus, our Company is regulated by the following legislations in India. The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this Chapter has been obtained from the various legislations, including rules and regulations promulgated by the regulatory bodies and the bye laws of the respective local authorities that are available in the public domain. The regulations and policies set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. For details of Government Approvals obtained by the Company in compliance with these regulations, kindly refer to the Chapter titled "Government and Other Key Approvals" beginning on page no. 195 of this Red Herring Prospectus.

A. INDUSTRY RELATED LEGISLATIONS:

1. Gem and Jewellery Export Promotion Council (Kimberly Process Certification Scheme)

The Department of Commerce, Government of India vide its letter dated November 13, 2002 bearing no. 12/13/2000-EP(G&J) have designated Gem and Jewellery Export Promotion Council ("**GJEPC**") as the Import and Export Authority in accordance with Section IV(b) of the Kimberley Process Certification Scheme ("**KPCS**"). GJPEC has been mandated by the Government of India as the nodal agency for the KPCS, and plays a key role in maintaining the data and paperwork of the flow of all diamonds certified as "conflict-free" going in and out of the country. It is mandatory to obtain Kimberley Process Certificate from GJPEC for carrying on import or export of rough diamonds. The KCPS is an innovative, voluntary system that imposes extensive requirements on participants to certify that shipment of rough diamonds are free from conflict of diamonds, which are rough diamonds used by rebel movements to finance wars against legitimate governments. Under the SEZ Rules, the Development Commissioners in the respective SEZs have been delegated powers to issue KPCs for units situated in such SEZs.

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

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

3. Special Economic Zones Act, 2005

The Special Economic Zones Act, 2005 ("**SEZ Act**") and the Special Economic Zones Rules, 2006 ("**SEZ Rules**") provide the procedure for development, operation and maintenance of SEZs. Incentives and facilities offered to SEZ units include

- duty-free import/domestic procurement of goods for development, operation and maintenance of SEZ units;
- exemption from custom duties, central excise duties, service tax, central sales taxes and securities transaction tax to both the developers and the units;
- 100% income tax exemption on export income for SEZ units under Section 10AA of the Income Tax Act, 1961 for the first five years, 50% for the next five years thereafter and 50% of ploughed back export profit for the next five years; and
- subject to certain conditions, external commercial borrowing by SEZ units up to USD 500 million in a year without maturity restriction through recognized banking channels.

For setting up a unit in an SEZ, a letter of approval has to be obtained from the Development Commissioner of such SEZ. The grant of a letter of approval is subject to the unit meeting certain terms and conditions, including, among other things, the achievement of positive net foreign exchange to be calculated cumulatively for a period of five years from the commencement of production, and the execution of a bond-cum-legal undertaking with regard to obligations pertaining to proper utilization and accounting of goods imported or procured duty-free and the achievement of positive net foreign exchange.

4. Foreign Trade (Development and Regulation) Act, 1992

In India, the main legislation concerning foreign trade is the Foreign Trade (Development and Regulation) Act, 1992 ("**FTA**"). The FTA read along with relevant rules provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. As per the provisions of the Act, the Government:- (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorized to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorized to appoint a 'Director General of Foreign Trade' for the purpose of the Act, including formulation and implementation of the Export-Import ("**EXIM**") Policy. FTA read with the Indian Foreign Trade Policy provides that no export or import can be made by a company without an Importer-Exporter Code number unless such company is specifically exempt. An application for an Importer-Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce.

B. LABOUR RELATED LEGISLATIONS:

1. Maharashtra Shops and Establishments Act, 1948

The provisions of the Maharashtra Shops and Establishments Act, 1948 regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures, and wages for overtime work.

2. Payment of Gratuity Act, 1972:

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

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

3. Payment of Bonus Act, 1965:

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

4. The Maternity Benefit Act, 1961:

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

5. The Payment of Wages Act, 1936:

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

6. 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.

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

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

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

Industrial Dispute Act, 1947 and the Rules made thereunder provide for the investigation and settlement of industrial disputes. The Industrial Disputes Act, 1947 ("**IDA**") was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the IDA have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond a prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The IDA also sets out certain requirements in relation to the termination of the services of the workman. The IDA includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, lay-offs and retrenchment.

9. The Employees' Compensation Act, 1923:

The Employees' Compensation Act, 1923 (the "**ECA**") has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries caused by accident(s) arising out of and in the

course of employment, and for occupational diseases resulting in death or disablement. The ECA makes every employer liable to pay compensation in accordance with the ECA if a personal injury/disablement/ loss of life is caused to a workman by accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the ECA within 1 (one) month from the date it falls due, the commissioner appointed under the ECA may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

C. ENVIRONMENT RELATED LEGISLATIONS:

The major statutes in India which seek to regulate, and protect the environment from, pollution related activities in India include the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Environment Protection Act, 1986, read with the Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008. In order to achieve the objectives of these statutes, the Pollution Control Boards ("**PCBs**") have been set up in each State. The PCBs are responsible for setting standards for, among other things, directing the installation of pollution control devices in industries and undertaking inspections to ensure that industries function in compliance with prescribed standards. Companies must obtain periodic consents from the relevant State PCBs for emissions and discharge of effluents into the environment. These authorities also have search, seizure and investigatory powers if the authorities are aware of, or suspect, violation of such laws. The Ministry of Environment and Forests, GoI, released a new categorization of industrial sectors, effective March 5, 2016, based on pollution load, as a function of emissions (air pollutants), effluents (water pollutants), hazardous wastes generated and consumption of resources. Industries categorized as "white", or least polluting, would not require PCB consents to establish and operate, and need only intimate the concerned PCB; other industries would continue to require PCB consents to establish and operate. Industries categorized as "white", has absolutely no pollution potential and also such industries would not need Consent to Establish and Consent to Operate from Gujarat Pollution Control Board. Vide Office Order dated April 12, 2016 bearing no. GPCB/P-1/12/352040 issued by Gujarat Pollution Control Board, the Diamond Industry has been classified as White industry.

D. TAX RELATED LEGISLATIONS:

1. 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 thereunder depending upon its "Residential Status" and "Type of Income" involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every Company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such Company is also required to file its returns by September 30 of each assessment year.

2. Central Goods and Services Act, 2017

The Central Goods and Services 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.

E. OTHER LEGISLATIONS:

1. 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:

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

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

2. The Registration Act, 1908:

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

3. The Indian Stamp Act, 1899:

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

4. **Gujarat Stamp Act, 1958:**

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

5. **The Indian Contract Act, 1872:**

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

6. **The Specific Relief Act, 1963:**

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

7. **Consumer Protection Act, 1986:**

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

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

8. **Competition Act, 2002:**

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

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

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

10. **The Trademarks Act, 1999:**

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

F. REGULATIONS REGARDING FOREIGN INVESTMENT

Foreign Exchange Management Act, 1999 ("the FEMA")

Foreign investment in manufacturing of diamonds is governed by the provisions of the FEMA read with the applicable regulations. The Department of Industrial Policy and Promotion ("DIPP"), Ministry of Commerce and Industry has issued 'Consolidated FDI Policy Circular ' ("FDI Policy") which consolidates the policy framework on Foreign Direct Investment ("FDI"), with effect from August 28, 2017. The FDI Circular 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. Vide an Office Memorandum dated June 5, 2017 ("Office Memorandum"), issued by Ministry of Finance,

Department of Economic Affairs the Government of India has abolished Foreign Investment Promotion Board ("FIPB").

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

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

HISTORY AND CERTAIN CORPORATE MATTERS

HISTORY AND BACKGROUND

Our Company was originally incorporated as Sagar Diamonds Private Limited on July 15, 2015 at Surat, Gujarat as a private limited company under the Companies Act, 2013 with the Registrar of Companies, Ahmedabad. Pursuant to a special resolution passed by the shareholders of the Company at the Extra Ordinary General Meeting held on June 19, 2017, our Company's name was changed to Sagar Diamonds Limited. A fresh certificate of incorporation consequent upon change of name was issued on July 04, 2017 by the Registrar of Companies, Ahmedabad. The Corporate Identification Number of our Company is U36912GJ2015PLC083846. The Registered Office of the Company is situated at Unit No. 101, Plot No. 193 SEZ Diamond Park, Sachin, Surat - 394230, Gujarat, India and our Corporate Office is situated at 304, Prasad Chambers, Opera House, Mumbai- 400 004, Maharashtra, India.

CORPORATE PROFILE OF OUR COMPANY

For information on our Company's business profile, activities, services, managerial competence, and customers, see chapters titled "Our Management", "Our Business" and "Our Industry" beginning on pages 117, 93 and 86, respectively.

ACQUISITION OF PROPRIETARY FIRM OF PROMOTER M/S SAGAR GEMS

Our company has acquired the proprietary Firm of our promoter, M/s Sagar Gems, in order to corporatize the business. The company and the promoter has entered into an Business Transfer Agreement on April 25, 2017 to acquire and carrying out the business of manufacturing and trading of diamonds, precious stones, gold, silver etc. into the company of M/s Sagar Gems and run the same into the company. M/s Sagar Gems has been run by our promoter Mr. Vaibhav Dipak Shah since incorporation. The firm was acquired by the company for a consideration of Rs 5,92,18,601/- and the same has been discharged by issuing shares of face value of ₹ 10 each at ₹ Rs 10 and ₹1 in cash. For the financial performance of M/s Sagar Gems please refer to sections titled "*Management Discussion & Analysis*" beginning on page 178 respectively of this Red Herring Prospectus.

CHANGES IN REGISTERED OFFICE OF OUR COMPANY SINCE INCORPORATION

There have been following changes to our Registered Office since incorporation:

Date	From	To
Incorporation	-	1st Floor, Office-126, Blue Diamond Building, Nodh No- 1158 to 63/65/9, Hat Faliyu, Ma Hidharpura Surat – 395003, Gujarat, India
June 19, 2017	1st Floor, Office-126, Blue Diamond Building, Nodh No- 1158 to 63/65/9, Hat Faliyu, Ma Hidharpura Surat – 395003, Gujarat, India	Unit No. 101, Plot No. 193 SEZ Diamond Park, Sachin, Surat - 394230, Gujarat, India

KEY MILESTONES AND MAJOR EVENTS

The following table sets forth the key events and milestones in the history of our Company, since incorporation:

Date	Key Milestones
July 15, 2015	Incorporation of Company
April 01, 2017	Corporatization of Business of the Promoter into the company
June 19, 2017	Conversion of Private company into Public Limited Company

MAIN OBJECTS UNDER THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY

The main objects as set forth in the Memorandum of Association of our Company are as follows:

To trade, manufacture, import, exhibit or deal in and/or undertake process in gold, silver, diamonds, rough diamonds, industrial diamonds, precious and semiprecious stones, and to export jewellery made out of it and such other articles and goods and to establish factories to manufacture cut, cleave, polish set or otherwise prepare for the market of such rough diamonds, industrial diamonds precious and semiprecious stones or metals either as principles, agents, brokers, importers, exporters, manufactures or traders of all kind of diamonds, precious and semi-precious stones and metals, bullion gold, ornaments, jewellery, silver utensils.

AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY

Since the incorporation of our Company, the following changes have been made to the Memorandum of Association:

Sl. No.	Date of Amendment	Nature of Amendment
1.	March 31, 2017	Clause V of the MoA was amended to reflect the increase in authorized capital from Rs.1,00,000/- comprising of 10,000 Equity Shares of Rs.10/- each to Rs.10,00,00,000/- comprising of 1,00,00,000 Equity Shares of Rs.10/- each.
2.	June 19, 2017	Conversion from Private Limited Company to Public Limited Company
3.	July 8, 2017	Clause V of the MoA was amended to reflect the increase in authorized capital from Rs.10,00,00,000/- comprising of 1,00,00,000 Equity Shares of Rs.10/- each. to Rs.13,50,00,000/- comprising of 1,35,00,000 Equity Shares of Rs.10/- each.

Amendments to the Articles of Association of our Company

Sl. No.	Date of Amendment	Nature of Amendment
1.	June 19, 2017	Conversion from Private Limited Company to Public Limited Company
2.	June 19, 2017	Amendment in Articles of Association

OTHER DETAILS REGARDING OUR COMPANY

For information on our activities, services, products, growth, technology, marketing strategy, our standing with reference to our prominent competitors and customers, please refer to sections titled "*Our Business*", "*Our Industry*" and "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" beginning on pages 93, 86 and 178 respectively of this Red Herring Prospectus. For details of our management and managerial competence and for details of shareholding of our Promoters, please refer to sections titled "*Our Management*" and "*Capital Structure*" beginning on pages 117 and 51 respectively of this Red Herring Prospectus.

TECHNOLOGY, MARKET COMPETENCE AND CAPACITY BUILD-UP

For details on the technology, market competence and capacity build-up of our Company, please see the chapter titled "Our Business" beginning on page 93 of this Red Herring Prospectus.

RAISING OF CAPITAL IN FORM OF EQUITY OR DEBT

For details regarding our capital raising activities through equity and debt, please see the section entitled "*Capital Structure*" and "*Financial Indebtedness*" on pages 51 and 189 respectively.

TIME AND COST OVERRUN IN SETTING-UP OF PROJECTS INCLUDING THE PROPOSED PROJECT

There have been no significant time and cost overruns in the development or construction of any of our projects or establishments.

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/ BANKS AND CONVERSION OF LOANS INTO EQUITY

There have been no defaults or rescheduling of borrowings with financial institutions/banks in respect of our current borrowings from lenders. None of our outstanding loans have been converted into equity shares.

STRIKES AND LOCK-OUTS

There have been no lock-outs or strikes at any time in our Company and our Company is not operating under any injunction or restraining order.

CHANGES IN THE ACTIVITIES OF OUR COMPANY

There have been no changes in the activities of our Company during the last five years preceding the date of this Red Herring Prospectus which may have had a material effect on our profit or loss, including discontinuance of our lines of business, loss of agencies or markets and similar factors.

DETAILS REGARDING ACQUISITION OF BUSINESS/UNDERTAKINGS, MERGERS, AMALGAMATION, REVALUATION OF ASSETS ETC

The Company has acquired Business of M/s. Sagar Gems on April 01, 2017. Apart from this, there are no mergers, amalgamation, revaluation of assets etc. with respect to our Company as on the date of this Red Herring Prospectus.

INJUNCTION OR RESTRAINING ORDER

Our Company is not operating under any injunction or restraining order

SHAREHOLDERS OF OUR COMPANY

As on the date of this Red Herring Prospectus, our Company has 8 (Eight) shareholders. For further details in relation to the current shareholding pattern, please refer to section titled "*Capital Structure"* beginning on page 51 of this Red Herring Prospectus.

HOLDING COMPANY

Our Company does not have a holding company as on the date of this Red Herring Prospectus.

OUR SUBSIDIARY(IES) OF OUR COMPANY

Our Company does not have any subsidiary as on the date of this Red Herring Prospectus

SHAREHOLDERS AGREEMENTS

Our Company has not entered into any shareholders agreement as on the date of this Red Herring Prospectus.

MATERIAL AGREEMENTS

There are no material agreements or contracts, which have been entered into by our Company within a period of two years prior to the date of the Red Herring Prospectus, which are not in the ordinary course of business, other than the following:

1. Issue Agreement dated July 12, 2017 amongst our Company and the BRLM appointing them as the Book Running Lead Manager to the Issue.

2. Agreement dated July 08, 2017 amongst our Company and Bigshare Services Private Limited appointing them as Registrar to this Issue.

3. Tripartite Agreement dated August 17, 2017 amongst our Company, NSDL and Bigshare Services Private Limited.

4. Tripartite Agreement dated August 09, 2017 amongst our Company, CDSL and Bigshare Services Private Limited.

5. Banker to the Issue Agreement dated September 04, 2017 amongst our Company the BRLM, Banker to the Issue and the Registrar to the Issue.

6. Market Making Agreement dated July 31, 2017 and Addendum to the Market Agreement dated September 04, 2017 between our Company, the Book Running Lead Manager and the Market Makers.

7. Syndicate Agreement dated September 04, 2017 executed between our Company, the BRLM and NNM Securities Private Limited (Syndicate Member).

8. Syndicate Agreement dated September 04, 2017 executed between our Company, the BRLM and Gretex Share Broking Private Limited (Syndicate Member).

9. Business Transfer Agreement dated April 25, 2017 between our Company and M/s Sagar Gems, a proprietary firm represented by our Promoter, Mr. Vaibhav Dipak Shah

10. Underwriting Agreement dated July 31, 2017 amongst our Company and BRLM.

Further our company has entered into a Business Transfer Agreement with M/s Sagar Gems, a proprietary firm represented by our Promoter, Mr. Vaibhav Dipak Shah on April 25, 2017 in order to acquire the business of manufacturing and trading of manufacturing and trading of diamonds, precious stones, gold, silver etc. of Mr. Vaibhav Dipak Shah and carrying on the same into the company.

STRATEGIC PARTNERS

Our Company does not have any strategic partners as on the date of this Red Herring Prospectus.

FINANCIAL PARTNERS

Our Company does not have any financial partners.

OUR MANAGEMENT

The Articles of Association require our Board to have at least 3 (three) Directors and not more than 15 (fifteen) Directors. As on the date of this Red Herring Prospectus, our Board comprises of 4 (four) Directors including one woman director.

The following table sets forth details regarding the Board of Directors as on the date of this Red Herring Prospectus:

Board of Directors

Currently, our Company has 4 (four) Directors out of which 2 (Two) are Non-Executive- Independent Directors. The following table sets forth details regarding the Board of Directors as on the date of this Red Herring Prospectus:

Name, Father's Name, Nature of Directorship, Residential Address, Date of Appointment/ Re-appointment, Term, Period of Directorship, Occupation, and DIN	Nationality	Age	Other Directorships as on the date of this Red Herring Prospectus
Mr. Vaibhav Dipak Shah Father's Name: Mr. Dipak Mulchand Shah Nature of Directorship: Managing Director Residential Address: 10/11, Floor-3, Plot-755/3, Blue Gardenia, Dr Gopal Rao Deshmukh Marg, Cumballa Hill, Mumbai – 400026, Maharashtra, India Date of Birth: April 14, 1986 Date of Appointment: July 15, 2015 appointed as director of the company and on July 08, 2017 appointed as Managing Director Term: 5 years from July 8, 2017 and Liable to retire by rotation Occupation: Business DIN: 03302936	Indian	31 years	Public Limited Entities: Nil Private Limited Entities: Nil Foreign Entities: Nil Partnerships/Limited Liability Partnerships: SG Diamonds LLP LLPIN – AAG-4611 Hindu Undivided Families: Nil Trusteeships:

Name, Father's Name, Nature of Directorship, Residential Address, Date of Appointment/ Re-appointment, Term, Period of Directorship, Occupation, and DIN	Nationality	Age	Other Directorships as on the date of this Red Herring Prospectus
			Nil
Mr. Rahil Hiteshbhai Chovatia Father's Name: Mr. Hitesh Chovatia Nature of Directorship: Non-Executive Non-Independent Director Residential Address: A/19, Jaldarshan Flats, Opp.Chamber Of Commerce, Ashram Road, Navrangpur Ahmedabad- 380009, Gujarat, India Date of Birth: November 29, 1994 Date of Appointment: May 29, 2017 Term: Liable to retire by Rotation Occupation: Business DIN: 07808004	Indian	22 Years	Public Limited Entities: Nil Private Limited Entities: Nil Foreign Entities: Nil Partnerships/Limited Liability Partnerships: Nil Hindu Undivided Families: Nil Trusteeships: Nil
Mr. Shahid Hussain Gulam Nabi Shaikh Father's Name: Mr. Gulam Nabi Shaikh Nature of Directorship: Non Executive Independent Director Residential Address: A/202, Sunrook Complex, CHS Limited, Hydri Chowk Near Geeta Nagar, Mira Road (East) Thane- 401107, Maharashtra, India Date of Birth: May 23, 1985	Indian	32 Years	Public Limited Entities: Nil Private Limited Entities: Nil Foreign Entities: Nil Partnerships/Limited Liability Partnerships:

Name, Father's Name, Nature of Directorship, Residential Address, Date of Appointment/ Re-appointment, Term, Period of Directorship, Occupation, and DIN	Nationality	Age	Other Directorships as on the date of this Red Herring Prospectus
Date of Appointment: May 29, 2017 Term: 5 years from July 08, 2017 i.e. July 07, 2022 Occupation: Professional DIN: 07828171			Nil Hindu Undivided Families: Nil Trusteeships: Nil
Ms. Namrata Dattatray Tembe Father's Name: Mr. Dattatray Laxman Tembe Nature of Directorship: Non Executive Independent Director Residential Address: 196, Alwari house, Room No-4, Khetwadi, 13th Lane Kamabaug Ageri Girgaon Mumbai- 400004, Maharashtra, India Date of Birth : June 05, 1991 Date of Appointment: May 29, 2017 Term: 5 years from July 08, 2017 i.e July 07, 2022 Occupation: Professional DIN: 07828174	Indian	26 Years	Public Limited Entities: Nil Private Limited Entities: Nil Foreign Entities: Nil Partnerships/Limited Liability Partnerships: Nil Hindu Undivided Families: Nil Trusteeships: Nil

Family Relationships between the Directors

Except following, none of the directors of our Company have family relationships:

Sr. No.	Name	Name	Nature of Relationship
1	Mr. Vaibhav Dipak Shah	Mr. Rahil Hiteshbhai Chovatia	Brother in Law

Note:
As on the date of this Red Herring Prospectus:

1. None of the above mentioned Directors are on the RBI List of willful defaulters as on date.

2. Further, none of our Directors are or were directors of any company whose shares were (a) suspended from trading by stock exchange(s) for more than 3 months during the five years prior to the date of filing this Red Herring Prospectus or (b) delisted from the stock exchanges.

None of the Promoters, Persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

3. Further, neither our Company nor our Promoters, persons forming part of our Promoter Group, Directors or persons in control of our Company are debarred from accessing the capital markets by SEBI.

4. There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the above mentioned Directors was selected as director or member of senior management.

Brief Biographies of the Directors

1. **Mr. Vaibhav Dipak Shah**, aged 31 years, is the Managing Director of the Company. He is also one of the Promoters of the Company and has been associated with our Company as director, since incorporation and has been appointed as Managing Director w.e.f. July 08, 2017. He obtained a degree of Bachelor of Commerce in 2007 from University of Mumbai. Besides taking care of day to day operations of our company, he controls the planning, finance and implementation functions of our company. He has over 10 years of experience in the Gems & Jewellery industry.

2. **Mr. Rahil Hiteshbhai Chovatia** aged 23 years, is Non-Executive Non-Independent Director of the Company since May 29, 2017. He obtained a degree of Bachelors of Engineering in 2017 from Gujarat Technological University and recently joined our Company.

3. **Mr. Shahid Hussain Gulam Nabi Shaikh** aged 32 years, is one of the Non-Executive and Independent Directors of the Company since May 29, 2017. He obtained a degree of Bachelor of Commerce from the University of Mumbai and is a qualified Chartered Accountant and Company Secretary and recently associated with our Company. He has an experience of 4 years in accounting, finance and management.

4. **Ms. Namrata Dattatray Tembe** aged 26 years, is one of the Non-Executive and Independent Directors of the Company since May 29, 2017. She obtained a degree of Bachelor of Commerce from the University of Mumbai and recently joined our Company.

Arrangements with major Shareholders, Customers, Suppliers or Others

There are no arrangements or understanding between major shareholders, customers, suppliers or others pursuant to which any of the Directors were selected as a Director or member of a senior management as on the date of this Red Herring Prospectus.

Service Contracts

Our Company has not executed any service contracts with its directors providing for benefits upon termination of their employment.

Common directorships of the Directors in companies whose shares are/were suspended from trading on the Stock Exchanges for a period beginning from five (5) years prior to the date of this Red Herring Prospectus

None of the Directors are/ were directors of any company whose shares were suspended from trading by Stock Exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five (5) years.

Director's association with the Securities Market

None of the Directors of our Company are associated with securities market.

Common directorships of the Directors in listed companies that have been/were delisted from stock exchanges in India

Except for the details mentioned under section titled "*Other Regulatory and Statutory Disclosures*" beginning on page 197 of this Red Herring Prospectus, none of the Directors are/ were directors of any entity whose shares were delisted from any Stock Exchange(s).

Further, none of the directors are/ were directors of any entity which has been debarred from accessing the capital markets under any order or directions issued by the Stock Exchange(s), SEBI or any other Regulatory Authority.

Borrowing Powers of the Board

The Articles, subject to the provisions of Section 180(1)(c) of the Companies Act, 2013 authorized the Board to raise, borrow or secure the payment of any sum or sums of money for the purposes of our Company. The shareholders have, pursuant to a special resolution passed at the Extra-ordinary General Meeting held on July 08, 2017, in accordance with Section 180(1)(c) of the Companies Act, 2013 authorized the Board to borrow monies from time to time, such sums of money even though the money so borrowed together with money already borrowed exceeds the aggregate of the paid-up capital and free reserves of the Company provided, however, that the total borrowing (apart from the temporary loans taken from the company's bankers) shall not exceed ₹ 25 Crores.

Remuneration to Executive Directors

The compensation payable to our Managing Director will be governed as per the terms of their appointment and shall be subject to the provisions of Section 2 (54), 2(94), 188, 196, 197, 198 and 203 and any other applicable provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force)

1. **Mr. Vaibhav Dipak Shah**

Particulars	Remuneration
Basic Salary	Upto ₹ 60,00,000 p.a.
Designation	Managing Director
Appointment as a Managing Director	Five (5) years *with effect from July, 08,2017and liable retire by rotation*
Remuneration paid for F.Y. 2016-	Nil

Particulars	Remuneration
2017	

Payment or benefit to Non-Executive Directors of our Company

Apart from the remuneration of our Executive Directors as provided under the heading "Compensation to Executive Directors" above, our Non-Executive Directors are entitled to be paid a sitting fee up to the limits prescribed by the Companies Act, 2013 and the Rules made there under and actual travel, boarding and lodging expenses for attending the Board or Committee meetings. They may also be paid commissions and any other amounts as may be decided by the Company in accordance with the provisions of the Articles, the Companies Act and any other applicable Indian laws and regulations.

REMUNERATION PAID TO THE BOARD OF DIRECTORS DURING THE LAST FINANCIAL YEAR 2016-17.

(Rs. in Lakh)

Name of Director	Remuneration	Sitting Fees	Total
Mr. Vaibhav Dipak Shah	NIL	NIL	NIL
Total	**NIL**	**NIL**	**NIL**

Shareholding of Directors in our Company

The details of the shareholding of our Directors as on the date of this Red Herring Prospectus are as follows.

Sl. No.	Name of the Shareholder	No. of Equity Shares	Percentage of Pre-Issue Capital (%)	Percentage of Post-Issue Capital (%)
1.	Mr. Vaibhav Dipak Shah	62,27,860	67.24	49.26
2.	Mr. Rahil Hiteshbhai Chovatia	3,400	0.04	0.03
Total		**62,31,260**	**67.27**	**49.29**

Interests of our Directors

Further, except as disclosed under sub-section 'Shareholding of Directors in our Company' above, none of our Directors hold any Equity Shares or any other form of securities in our Company. Our Directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Issue.

Our Directors may be deemed to be interested to the extent of the remuneration paid to them or services rendered as a Director of our Company and reimbursement of expenses payable to them. For further details, please refer to sub-section "Remuneration to Executive & Non-Executive Directors" above. For further details, please refer to section titled "Our Promoters and Promoter Group" beginning on page 132 of this Red Herring Prospectus.

Further, except as disclosed in "History and Certain Corporate Matters", none of our Directors have any interest in any property acquired by our Company within two (2) years of the date of this Red Herring Prospectus or proposed to be acquired by it or in any transaction in acquisition of land or any construction of building. Further, except as disclosed under sub-section "Shareholding of Directors in our Company" above, none of our Directors hold any Equity Shares, Preference Shares or any other form of securities in our Company. Our Directors may also be

interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors,

Other than as stated above and except as stated in the sections titled "*Financial Information*" and "*Our Promoters and Promoter Group*" beginning on pages 140 and 132 respectively of this Red Herring Prospectus, our Directors do not have any other interest in the business of our Company.

None of the relatives of our Directors have been appointed to a place or office of profit in our Company. For further details, please refer to section titled "*Our Management* – Remuneration to Executive Directors" beginning on page 117 of this Red Herring Prospectus.

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 section "*Our Management*" or the section titled "*Financial Information* - Related Party Transactions" beginning on pages 117 and 158 respectively of this Red Herring Prospectus, and except to the extent of shareholding in our Company, our Directors do not have any other interest in the business of our Company.

Changes in our Company's Board of Directors during the last three (3) years

The changes in the Board of Directors of our Company in the last three (3) years are as follows:

Sl. No.	Name of the Director	Date of Appointment/ change/ cessation	Reason
1.	Mr. Vaibhav Dipak Shah	July 15, 2015	Appointed as Director
2.	Mr. Rohit Laxman Khade	July 15, 2015	Appointed as Director
3.	Mr. Shahid Hussain Gulam Nabi Shaikh	May 29, 2017	Appointed as additional non-executive independent director
4.	Ms. Namrata Dattatray Tembe	May 29, 2017	Appointed as additional non-executive independent director
5.	Mr. Rahil Hiteshbhai Chovatia	May 29, 2017	Appointed as additional executive director non-independent director
6.	Mr. Rohit Laxman Khade	June 16, 2017	Resignation
7.	Mr. Rahil Hiteshbhai Chovatia	July 08, 2017	Re-designated as non-executive director
8.	Mr. Shahid Hussain Gulam Nabi Shaikh	July 08, 2017	Re-designated as non-executive director
9.	Ms. Namrata Dattatray Tembe	July 08, 2017	Re-designated as non-executive director
10.	Mr. Vaibhav Dipak Shah	July 08, 2017	Appointed as Managing Director

COMPLIANCE WITH CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013 read with the rules made there under, the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI (ICDR) Regulations, 2009 in respect of corporate governance will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the SME Platform of BSE Limited. The requirements pertaining to the Composition of the Board of Directors and the constitution of the Committees such as the Audit Committee, Stakeholder's Relationship Committee and Nomination & Remuneration Committees have been complied with.

Our Board of Directors consists of 4 Directors of which 1 is non-executive non independent director and 2 are Non-executive Independent Directors (as defined under Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) including 1 Woman Director, which is in compliance with the requirements of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Our Company has constituted the following committees:

1. Audit Committee

Our Company has formed the Audit Committee vide Resolution passed in the Meeting of Board of Directors dated July 05, 2017 as per the applicable provisions of the Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and also to comply with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 applicable upon listing of Company's equity shares on SME Platform of BSE Limited. The constituted Audit Committee comprises following members

Name of the Director	Status in Committee	Nature of Directorship
Mr. Shahid Hussain Gulam Shaikh	Chairman	Non-executive, Independent Director
Ms. Namrata Dattatray Tembe	Member	Non-executive, Independent Director
Mr. Rahil Hiteshbhai Chovatia	Member	Non-executive, Non-Independent Director

The Company Secretary of our Company shall act as a Secretary of the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to furnish clarifications to the shareholders in any matter relating to financial statements. The scope and function of the Audit Committee and its terms of reference shall include the following:

A. Tenure: The Audit Committee shall continue to be in function as a Committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

B. Meetings of the Committee: The Committee shall meet at least four (4) times in a year and not more than one hundred twenty (120) days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the Committee, whichever is higher but there shall be presence of minimum two Independent Directors at each meeting.

C. Role and Powers: The Role of Audit Committee together with its powers as Part C of Schedule II of SEBI Listing Regulation, 2015 and Companies Act, 2013 shall be as under:

a. the recommendation for appointment, remuneration and terms of appointment of auditors of the Company

b. review and monitor the auditor's independence and performance, and effectiveness of audit process

c. examination and reviewing of the financial statement and the auditors' report thereon before submission to the board for approval, with particular reference to :-
   i. matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Section 217(2AA) of the Companies Act, 1956 and/or Section 134(3)(c) of the Companies Act, 2013;
   ii. changes, if any, in accounting policies and practices and reasons for the same;
   iii. major accounting entries involving estimates based on the exercise of judgment by management
   iv. significant adjustments made in the financial statements arising out of audit findings

v. compliance with listing and other legal requirements relating to financial statements
vi. disclosure of any related party transactions

d. examination and reviewing, with the management, the quarterly financial statements before submission to the board for approval

e. approval or any subsequent modification of transactions of the Company with related parties

f. scrutiny of inter-corporate loans and investments

g. valuation of undertakings or assets of the Company, wherever it is necessary;

h. evaluation of internal financial controls and risk management systems;

i. monitoring the end use of funds raised through public offers and related matters;

j. oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

k. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

l. 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;

m. discussion with internal auditors of any significant findings and follow up thereon;

n. 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;

o. 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;

p. 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;

q. 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 and background, etc. of the candidate;

r. reviewing the Management discussion and analysis of financial condition and results of operations;

s. reviewing the Management letters / letters of internal control weaknesses issued by the statutory auditors;

t. reviewing the Internal audit reports relating to internal control weaknesses;

u. reviewing the appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee;

v. reviewing the functioning of the Whistle Blower mechanism;

w. reviewing / redressal of complaint/s under the Sexual Harassment of Women at Workplace (Prohibition, Prevention & Redressal) Act, 2013;

x. establishment of a vigil mechanism for directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy in such manner as may be prescribed, which shall also provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases:

y. such other functions / activities as may be assigned / delegated from time to time by the Board of Directors of the Company and/or pursuant to the provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015 / Listing Regulations]."

2. Stakeholders Relationship Committee

Our Company has formed the Stakeholders Relationship Committee as per Section 178 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and also to comply with Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 applicable upon listing of Company's equity shares on SME Platform of BSE India Limited vide Resolution dated July 05, 2017. The constituted Stakeholders Relationship Committee comprises the following:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Shahid Shaikh	Chairman	Non-Executive, Independent Director
Ms. Namrata Dattatray Tembe	Member	Non-Executive, Independent Director
Mr. Rahil Hiteshbhai Chovatia	Member	Non-executive, Non-Independent Director

The Company Secretary of our Company shall act as a Secretary to the Stakeholders Relationship Committee. The scope and function of the Stakeholders Relationship Committee and its terms of reference shall include the following:

A. Tenure: The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.

B. Meetings: The Stakeholders Relationship Committee shall meet at least four times a year with maximum interval of four months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum shall be minimum two (2) members, out of which at least one (1) shall be an independent director.

C. Terms of Reference: Redressal of shareholders' and investors' complaints, including and in respect of:

- consider and resolve the grievance of security holders of the Company;
- such other functions / activities as may be assigned / delegated from time to time by the Board of Directors of the Company and/or pursuant to the provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015 / Listing Regulations]

3. Nomination and Remuneration Committee

Our Company has formed the Nomination and Remuneration Committee as per Section 178 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and and also to comply with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 applicable upon listing of Company's equity shares on SME Platform of BSE

Limited vide Resolution dated July 05, 2017. The Nomination and Remuneration Committee comprises the following:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Shahid Hussain Gulam Nabi Shaikh	Chairman	Non-executive, Independent Director
Ms. Namrata Dattatray Tembe	Member	Non-executive, Independent Director
Mr. Rahil Hiteshbhai Chovatia	Member	Non-executive, Non-Independent Director

The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

A. Tenure: The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

B. Meetings: The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders' queries; however, it shall be up to the chairperson to decide who shall answer the queries.

C. Role of Terms of Reference:

- Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;

- formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees

- while formulating the policy under (b) above, ensure that
  i. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.
  ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  iii. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

4. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee is not applicable to our company since the profit of the company in the last financial year is less than 5 Cr.

POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING:

The provisions of the Regulation 9(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, will be applicable to our Company immediately upon the listing of Equity Shares on the SME Platform of BSE Limited. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended

on listing of Equity Shares on the SME Platform of BSE Limited. Further, Board of Directors at their meeting held on July 06, 2017, have approved and adopted the policy on insider trading in view of the proposed public issue.

Mr. Kaushik H Vegad, Company Secretary and Compliance Officer of our Company will be 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.

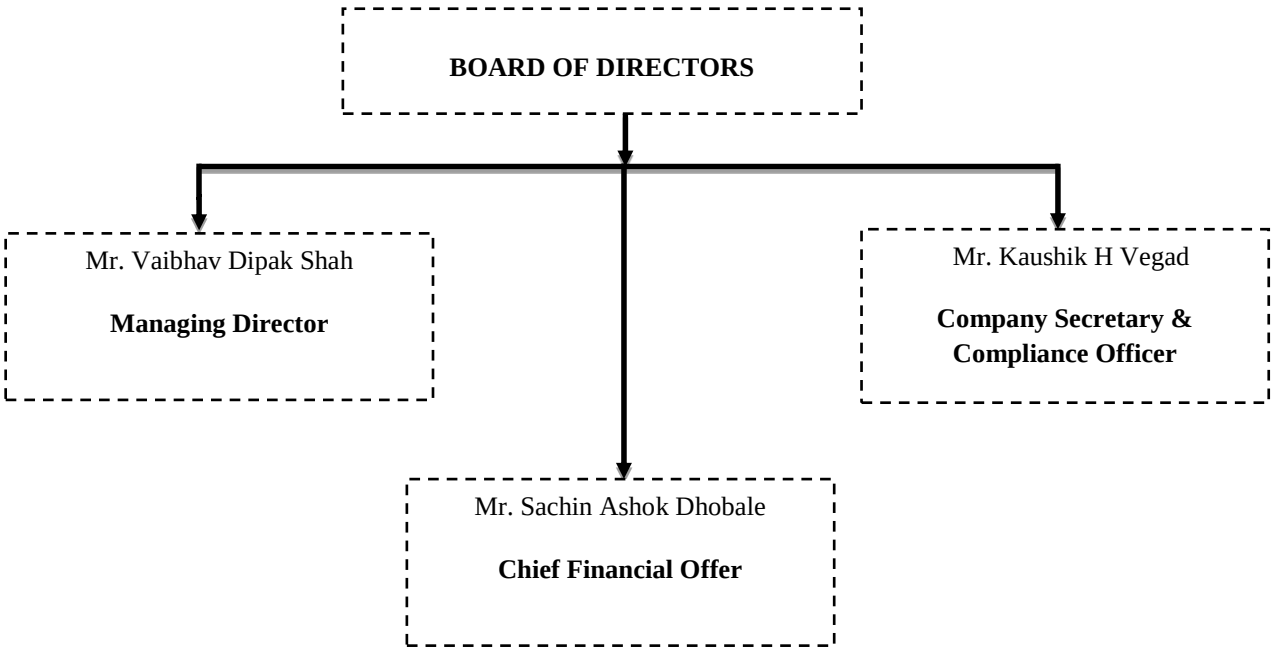
POLICY FOR DETERMINATION OF MATERIALITY & MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS:

The provisions of the SEBI (Listing Obligation and Disclosures) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on SME Platform of BSE Limited. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended on listing of Equity Shares on the SME Platform of BSE Limited. The Board of Directors at their meeting held on July 05, 2017 have approved and adopted the policy for determination of materiality and determination of materiality of related party transactions and on dealing with related party transactions.

Policies:

1. Archival Policy
2. Code for Independent Director
3. Code of Conduct for Directors, Key Managerial Personnel and Senior Management
4. Familiarization Programnes for Independent Directors
5. Preservation of Records Policy
6. Related Party Transaction Policy

Management Organizational Structure



Profiles of our Key Managerial Personnel

Except the details of Mr. Vaibhav Dipak Shah, Managing Director, the details of the other Key Managerial Personnel as on the date of this Red Herring Prospectus are set out below. All the Key Managerial Personnel are permanent employees of our Company. Except for certain statutory benefits, there are no other benefits accruing to the Key Managerial Personnel, other than managing director of our company.

1. **Mr. Kaushik H Vegad**, aged 27 is the Company Secretary and Compliance Officer of our Company. He is a qualified Company Secretary from the Institute of Company Secretaries of India. He has been associated with our Company since May 29, 2017. He is responsible for assuring compliance with the provisions of companies act 2013, SEBI act 1992, along with other statutory act, rules and regulations formed thereunder. He was appointed as company secretary and compliance officer on May 29, 2017 and has therefore, not received any compensation for the financial year ended 2017.

2. **Mr. Sachin Ashok Dhobale,** aged 26 years, is Chief Financial Officer (CFO) of our Company. He has been associated with our Company since May 29, 2017. He holds a degree of B. Com from Mumbai University. He is looking after all the accounts and finance in our Company. He was appointed as Chief Financial Officer on May 29, 2017 and has therefore, not received any compensation for the financial year ended 2017.

Status of Key Management Personnel in our Company

All our key managerial personnel are permanent employees of our Company. The term of office of our key managerial personnel is until the attainment of 60 years of age.

Shareholding of Key Management Personnel in our Company

None of the Key Management Personnel other than Mr. Vaibhav Dipak Shah who holds 62,27,860 Equity Shares representing 67.24 % in our Company as on the date of this Red Herring Prospectus.

Bonus or profit sharing plan of the Key Managerial Personnel

Our Company does not have a performance linked bonus or a profit sharing plans for the Key Management Personnel. However, our Company pays incentive to all its employees based on their performance including the Key Managerial Personnel's of our Company.

Interests of Key Management Personnel, other than Managing Director

The Key Management Personnel, other than managing director, do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Payment of Benefits to Officers of our Company (*non-salary related*)

Except as disclosed in this Red Herring Prospectus and any statutory payments made by our Company to its officers, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees including amounts towards super-annuation, ex-gratia/rewards.

Except statutory benefits upon termination of employment in our Company or superannuation, no officer of our

Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation. Contributions are made by our Company towards provident fund, gratuity fund and employee state insurance.

Except as stated under section titled "*Financial Information*" beginning on page 140 of this Red Herring Prospectus, none of the beneficiaries of loans and advances or sundry debtors are related to our Company, our Directors or our Promoters.

Relationship amongst the Key Managerial Personnel of our Company

There is no family relationship amongst the Key Managerial Personnel of our Company.

Relationship between the Directors and Key Managerial Personnel

There are no family relationships between the Directors and Key Managerial Personnel of our Company except following:

Sr. No.	Name of Director	Name of Director	Relationship
1	Vaibhav Dipak Shah	Rahil Hiteshbhai Chovatia	Brother in Law

Arrangement and Understanding with Major Shareholders/Customers/ Suppliers

None of the above Key Managerial Personnel have been selected pursuant to any arrangement/understanding with major shareholders/customers/suppliers.

Details of Service Contracts of the Key Managerial Personnel

Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

Employee Stock Option or Employee Stock Purchase

Our Company has not granted any options or allotted any Equity Shares under the ESOP Scheme as on the date of this Red Herring Prospectus.

Loans availed by Directors / Key Managerial Personnel of our Company

None of the Directors or Key Managerial Personnels have availed loan from our Company which is outstanding as on the date of this Red Herring Prospectus.

Changes in our Company's Key Managerial Personnel during the last three (3) years

The changes in the Key Managerial Personnel of our Company in the last three (3) years are as follows:

Sr. No.	Name of the Key Managerial Personnel	Designation	Date of Appointment	Reason
1.	Mr. Vaibhav Dipak Shah	Managing Director	July 08, 2017	To ensure better compliance
2.	Mr. Kaushik H Vegad	Company Secretary and	May 29, 2017	To ensure better

Sr. No.	Name of the Key Managerial Personnel	Designation	Date of Appointment	Reason
		Compliance Officer		compliance
3.	Mr. Sachin Ashok Dhobale	CFO	May 29, 2017	To ensure better compliance

As on the date of Red Herring Prospectus we have 13 (thirteen) employees.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

Our Promoters are (i) Mr. Vaibhav Dipak Shah and (ii) SG Diamonds LLP ("SG Diamonds" or "SGD"). As on the date of this Red Herring Prospectus, our Promoters hold 92,29,120 Equity Shares which in aggregate, constitutes 99.64% of the issued and paid-up Equity Share capital of our Company.

Details of Individual Promoter of our Company

Mr. Vaibhav Dipak Shah, aged 31 years, is the Managing Director of the Company. He is one of the Promoters of the Company and has been a Director of the Company since incorporation and has been appointed as Managing Director w.e.f. July 05, 2017. He obtained a degree in Bachelor of Commerce in 2007 from University of Mumbai. Besides taking care of day to day operations of our company, he controls the planning, finance and implementation functions of our company.
Address: 10/11, Floor-3, Plot-755/3, Blue Gardenia, Dr. Gopal Rao Deshmukh Marg, Cumballa Hill Mumbai 400026 Maharastra.
Permanent Account Number: BBGPS2674L
Passport No.: Z3434608
Aadhar No.: 417267033992
Driving license No.: 258554
Voter's identification card No.: Not Available

For further details in relation to other ventures of Mr. Vaibhav Dipak Shah, please refer to section titled "*Group Entities of our Company*" beginning on page 137 of this Red Herring Prospectus.

We confirm that the PAN, Bank account Number and Passport number of the Promoter have been submitted to the Stock Exchanges at the time of filing of this Red Herring Prospectus.

SG Diamonds LLP

SG Diamonds LLP ("LLP" or "SGD") was incorporated under the Limited Liability Partnership Act, 2008 on May 26, 2016 as Surbin & Sons LLP. On June 13, 2017, the LLP has changed its name from Surbin & Sons LLP to SG Diamonds LLP. The main objects of SGDis to trade, manufacture, import, exhibit or deal in and/or undertake process in gold, silver, diamonds, rough diamonds, industrial diamonds, precious and semiprecious stones, and to export jewellery made out of it and such other articles and goods and to establish factories to manufacture cut, cleave, polish set or otherwise prepare for the market of such rough diamonds, industrial diamonds precious and semiprecious stones or metals either as principles, agents, brokers, importers, exporters, manufactures or traders of all kind of diamonds, precious and semi precious stones and metals, bullion gold, ornaments, jewellery, silver utensils.

Name	SG Diamonds LLP
Permanent Account Number	ADBFS7390D
LLP Identification No.	AAG-4611
Registered Address	1st Floor, Office-126, Blue Diamond Building, Nodh No- 1158 to 63/65/9, Hat Faliyu, Ma Hidharpura Surat – 395003, Gujarat, India
Bank Account Number	57500000020966
Name of the Bank and Branch	HDFC Bank-Mumbai - Fort Branch

We confirm that the PAN, Bank account Number, Company registration number, and the address of the ROC Office with which our Corporate Promoter is registered have been submitted to the Stock Exchanges at the time of filing of this Red Herring Prospectus.

The following Designated Partners ("DP") of SG Diamonds LLP are the ultimate beneficial owners.

Sl. No.	Details
1.	**Mr. Vaibhav Dipak Shah** PAN: BBGPS2674L Passport No.: Z3434608
2.	**Mr. Rohit Laxman Khade** PAN: CHKPK8690R Passport No.: Not Available

Designated Partners

The Partners of the Corporate Promoter comprises:

Sl. No.	Name	Address	Designation	DIN	Date of Appointment
1.	**Mr. Vaibhav Dipak Shah**	1O/11, Floor-3, Plot-755/3, Blue Gardenia, Dr Gopal Rao Deshmukh Marg, Cumballa Hil L, Mumbai- 400026, Maharashtra, India	Designated Partner	03302936	May 16, 2017
2.	**Mr. Rohit Laxman Khade** (As a nominee of Redwire Real Estate Private Limited)	At-Kalamje Post Bamnoli, Taluka-Mangaon, Kalmaje Raigarh- 402104, Maharashtra, India	Body Corporate DP Nominee	06790317	May 16, 2017

Change in Management or Control of SG Diamonds LLP

There has been change in control and management of SG Diamonds LLP in the three years preceding the date of this Red Herring Prospectus other than as stated below:

Name of Partners	Date of Appointment / Resignation	Appointment / Resignation
Mr. Suresh Kumar Jain	Incorporation/ May 26, 2016	May 16, 2017
Ms. Bindu Devi Jain	Incorporation/ May 26, 2016	May 16, 2017
Mr. Vaibhav Dipak Shah*	May 16, 2017	-
Mr. Rohit Khade in capacity of Director of Red Wire Real Estate Private Limited*	May 16, 2017	-

Vide First Supplemental Agreement dated May 16, 2017 the Management of SG Diamonds LLP has been changed and Mr. Vaibhav Dipak Shah and Redwire Real Estate Private Limited has become Partners of the LLP. The name of Surbin and Sons LLP has been changed vide partners resolution dated June 28, 2017 to SG Diamonds LLP.

Partnership Details of SG Diamonds LLP

Sr. No.	Name of Partner	Partnership Capital	Partnership Share
1.	Mr. Vaibhav Dipak Shah	9,000	90.00%
2.	Red Wire Real Estate Private Limited	1,000	10.00%

Interests of our Promoters

Our Promoters are interested in our Company only to the extent of their respective Equity shareholding in our Company and any dividend distribution that may be made by our Company in the future. For details pertaining to our Promoters' shareholding, please refer to section titled "*Capital Structure*" beginning on page 51 of this Red Herring Prospectus.

Except the Business Transfer Agreement dated April 25, 2017 between the company and Mr. Vaibhav Dipak Shah, our Promoters have not entered into any contract, agreements or arrangements in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business.

None of our Promoters has any interest in any property acquired by our Company within two (2) years of the date of this Red Herring Prospectus or proposed to be acquired by it or in any transaction in acquisition of land or any construction of building or supply of machinery.

The ultimate beneficial owner of SG Diamonds LLP is Mr. Vaibhav Dipak Shah.

The corporate office has been leased by Mr. Vaibhav Dipak Shah vide Leave and License agreement dated January 09, 2017. Mr. Vaibhav Dipak Shah has given consent to use the premises vide letter dated July 01, 2017 to our company.

The Company has no group companies as on the date of filing this Red Herring Prospectus.

Common Pursuits

Our Company is engaged in the manufacturing, import, export of Diamond Jewellery. The company is based in Surat. 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 see the "*Annexure 37 - Related Party Transactions*" beginning on page 158 of this Red Herring Prospectus.

Interest of Promoters in the Promotion of our Company

Our Promoters are interested in our Company as mentioned above in this chapter, under the heading "***Common Pursuits of our Promoter***" and to the extent of their shareholding in our Company and the dividend declared, if any, by our Company.

Interest of Promoters in the Property of our Company

Our Promoters have confirmed that they do not have any interest in any property acquired by our Company within two years preceding the date of this Red Herring Prospectus or proposed to be acquired by our Company as on the date of this Red Herring Prospectus.

Further, we confirm that our Promoters do not have any interest in any transactions in the acquisition of land, construction of any building or supply of any machinery.

Payment of Amounts or Benefits to our Promoters or Promoter Group during the last two years

Except as stated in "***Financial Statements*****"** on page 140 of this Red Herring Prospectus, no amount or benefit has been paid by our Company to our Promoters or the members of our Promoter Group in the last two years preceding the date of this Red Herring Prospectus.

Other Confirmations

Our Company hereby confirms that:

- None of our Promoters have been declared as a willful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by the Promoters in the past or are pending against them.

- None of our Promoters, Promoter Group or Directors or persons in control of our Company or bodies corporate forming part of our Promoter Group have been (i) prohibited from accessing the capital markets under any order or direction passed by SEBI or any other authority or (ii) refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

Payment or benefits to the Promoters in the last two (2) years

No payment or benefit has been made to the Promoters except as disclosed in the related party transaction. For further details, please refer to section Financial Statements of this Red Herring Prospectus.

Litigation details pertaining to our Promoters

For details on litigations and disputes pending against the Promoters and defaults made by our Promoters please

refer to section titled "*Outstanding Litigations and Material Developments*" beginning on page 190 of this Red Herring Prospectus.

Declarations

No winding up proceedings have been initiated against any of our Promoters.

Neither our Promoters nor any of our Promoter Group companies have become defunct in the five years preceding the date of this Red Herring Prospectus.

Our Corporate Promoter, the members of our Promoter Group and relatives of our Promoters (as per the Companies Act) have confirmed that they have not been identified as wilful defaulters by the RBI or any other governmental authority.

Companies with which the Promoters has disassociated in the last three years

None of our Promoters have disassociated themselves from any of the companies, firms or entities during the last three years preceding the date of this Red Herring Prospectus.

Individual Promoter Group of our Promoters

In addition to our Promoters named in above section, the following natural persons are part of our Promoters Group in terms of Regulation 2(1) (zb) of SEBI (ICDR) Regulations:

Name of our Individual Promoter	Name of the Relatives	Relationship with the Relative
Mr. Vaibhav Dipak Shah	Dipak Mulchand Shah	Father
	Chhaya Dipak Shah	Mother
	Dhaval Dipak Shah	Brother
	--	Sister
	Viyona Vaibhav Dipak Shah	Daughter
	--	Son
	Nidhi Hiteshkumar Chovatia	Spouse
	Hitesh Chovatiya	Spouse's Father
	Meetaben Hiteshkumar Chovatiya	Spouse's Mother
	Rahil Hiteshbhai Chovatia	Spouse's Brother
	Nishi Shah	Spouse's Sister

Promoter Group Entities of our Promoters

The following entities form a part of our Promoter Group entities in terms of Regulation 2(1) (zb) of SEBI (ICDR) Regulations:

1. Siya Mercantile Private Limited
2. Ringword Real Estates Private Limited
3. Redwire Real Estate Private Limited
4. SG Diamonds LLP (Formerly known as Surbin & Sons LLP)
5. Sagar Diamonds Limited

GROUP ENTITIES OF OUR COMPANY

As per the requirements of SEBI (ICDR) Regulations, for the purpose of identification of 'group companies/ entities', our Company has considered those companies as Group Companies, which are included in the list of related parties of the Company , under the Accounting Standard 18 or other Companies as considered material by our Board. Pursuant to a resolution of our Board dated July 05, 2017, for the purpose of disclosure in Issue documents for the Issue, a company shall be considered material and disclosed as a 'Group Company' if (i) companies in which the investment in the form of equity or loan by our Company exceeds 10% of the consolidated net worth of our Company for the last audited financial year; (ii) where the Company has entered into one or more transactions with such company in the last audited financial year, cumulatively exceeding 10% of the total consolidated revenue of our Company for the last audited financial year; and (iii) any other company which the Board may decide.

For avoidance of doubt, it is clarified that SG Diamonds LLP, which is our Promoter, has not been considered as Group Company for the purpose of disclosure in this Red Herring Prospectus.

RELATED PARTY TRANSACTIONS

For details on related party transactions of our Company, please refer to section titled "*Financial Information* - Annexure 37 - Related Party Transactions" beginning on page 158 of this Red Herring Prospectus.

DIVIDEND POLICY

The declaration and payment of dividends, if any, will be recommended by our Board of Directors and approved by our shareholders at their discretion, subject to the provision of the Articles of Association and the Companies Act. The dividends, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements and overall financial position of our Company. In addition, our ability to pay dividends may be impacted by a number of other factors, including, restrictive covenants under the loan or financing documents that we may enter into from time to time. Our Company has no formal dividend policy. Our Board may also, from time to time, pay interim dividends.

Our Company has not declared any dividend on the Equity Shares in each of the Financial Years ended on March 31, 2016 & 2017 and for the period ended June 20, 2017 as per our Restated Financial Statements, the details of which are as given below:

Particulars	Financial Years		Period
	March 31, 2016	March 31, 2017	June 20, 2017
Face value per share (in Rs)	10/-	10/-	10/-
Dividend (in Rs.)	NIL	NIL	NIL
Dividend per share (in Rs.)	NIL	NIL	NIL
Rate of dividend (%)	NIL	NIL	NIL
Dividend Tax (Rs.)	NIL	NIL	NIL

SECTION VI: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Independent Auditor's Report for the Restated Financial Statements of

SAGAR DIAMONDS LIMITED

The Board of Directors
SAGAR DIAMONDS LIMITED
Unit No. 101, Plot No.193
SEZ Diamond Park Sachin,
SURAT-394230

Dear Sirs,

1. We have examined the attached Restated Statement of Assets and Liabilities of **SAGAR DIAMONDS LIMITED** (the "Company") as at 20th June 2017, 31st March, 2017 and 31st March, 2016 and the related Restated Statement of Profit & Loss and Restated Statement of Cash Flow for the period ended on 20th June, 2017 and for the FY ended 31st March, 2017 and 31st March, 2016 annexed to this report for the purpose of inclusion in the offer document prepared by the Company (collectively the "**Restated Summary Statements**" or "**Restated Financial Statements**"). These Restated Summary Statements have been prepared by the Company and approved by the Board of Directors of the Company in connection with the Initial Public Offering (IPO) in SME Platform of BSE Limited (BSE SME).

2. These Restated Summary Statements have been prepared in accordance with the requirements of:
   (i) Part I of Chapter III to the Companies Act, 2013 ("**Act**") read with Companies (Prospectus and Allotment of Securities) Rules 2014;
   (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 ("**ICDR Regulations"**) issued by the Securities and Exchange Board of India ("**SEBI"**) in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
   (iii) The terms of reference to our engagements with the Company letter dated 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 Initial Public Offering of equity shares in SME Platform of BSE Limited (BSE SME) ("**IPO**" or "**SME IPO**"); and
   (iv) The Guidance Note on Reports in Company Prospectus (Revised 2016) issued by the Institute of Chartered Accountants of India ("**Guidance Note 2016**").

3. The Restated Summary Statements of the Company have been extracted by the management from the Audited Financial Statements of the Company for the period ended 20th June 2017 and for the financial year ended,31st March 2017 and 31st March, 2016 which has been approved by the Board of Directors.

4. In accordance with the requirements of Part I of Chapter III of Act including rules made therein, ICDR Regulations, Guidance Note and Engagement Letter, we report that:
   (i) The "**Statement of Assets and Liabilities as Restated**" as set out in **Annexure 1** to this report, of the Company as at 20th June, 2017, 31st March, 2017 and 31st March, 2016 are prepared by the Company and approved by the Board of Directors. These Statement of Assets and Liabilities, as restated have been

arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully

(ii) Described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV (A)** to this Report.

(iii) The "**Statement of Profit and Loss as Restated**" as set out in **Annexure 2** to this report, of the Company for the period ended 20th June 2017, 31st March, 2017 and 31st March, 2016 are prepared by the Company and approved by the Board of Directors. These Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure 4** to this Report.

(iv) The **"Statement of Cash Flow as Restated**" as set out in **Annexure 3** to this report, of the Company for the period ended 20th June, 2017, 31st March, 2017 and 31st March, 2016 are prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure 4** to this Report.

5. Based on the above, we are of the opinion that the Restated Financial Statements have been made after incorporating:

   a) Adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any.

   b) Adjustments for prior period and other material amounts in the respective financial years/period to which they relate and there are no qualifications which require adjustments.

   c) There are no extra-ordinary items that need to be disclosed separately in the accounts and qualifications requiring adjustments except as disclosed in the notes to accounts.

   d) There were no qualifications in the Audit Reports issued by the Statutory Auditors for the financial period/year ended on 20th June, 2017, 31st March, 2017 and 31st March, 2016 which would require adjustments in this Restated Financial Statements of the Company except as follows:

   As per Accounting Standard- 15 (Employee Benefits) issued by the Institute of Chartered Accountants of India, Company is required to assess its gratuity liability each year on the basis of actuarial valuation and make provision for gratuity liability. However, company has not provided for gratuity liability in the financial statement and has not taken any actuarial valuation report. So same have been not provided in financial statements.

   e) These Profits and Losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Accounts as set out in **Annexure 4** to this report.

6. Audit for the period / financial year ended on 20th June 2017, 31st March, 2017 and 31st March, 2016 was conducted by M/s. V P Agrawal & Associates (Chartered Accountants) and accordingly reliance has been placed on the financial information examined by them for the said years. The financial report included for these years is based solely on the report submitted by them and no routine audit has been carried out by us. Further financial statements for the financial period ended on 20th June, 2017 have been re-audited by us as per the relevant guidelines.

7. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to

the Company for the financial period/year ended on 20th June 2017, 31st March2017 and 31st March, 2016 proposed to be included in the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus ("**Offer Document**").

Annexure of Restated Financial Statements of the Company:-

1. Significant Accounting Policies and Notes to Accounts as restated in Annexure 4;
2. Reconciliation of Restated Profit as appearing in Annexure 5 to this report.
3. Details of Share Capital as Restated as appearing in Annexure 6 to this report;
4. Details of Reserves and Surplus as Restated as appearing in Annexure 7 to this report;
5. Details of Long Term Borrowings as Restated as appearing in Annexure 8 to this report;
6. Nature of Security and Terms of Repayment for Long term Liabilities as appearing in Annexure 9 to this report
7. Details of Deferred Tax Liabilities (Net) as Restated as appearing in Annexure 10 to this report;
8. Details of Loan Term Borrowings as Restated as appearing in Annexure 11 to this report;
9. Details of Short Term Borrowings as Restated as appearing in Annexure 12 to this report;
10. Details of Trade Payables as Restated as appearing in Annexure 13 to this report;
11. Details of Other Current Liabilities as Restated as appearing in Annexure 14 to this report;
12. Details of Short Term Provisions as Restated as appearing in Annexure 15 to this report;
13. Details of Fixed Assets as Restated as appearing in Annexure 16 to this report;
14. Details of Non Current Investments as Restated as appearing in Annexure 17 to this report;
15. Details of Long Term Loans & Advances as Restated as appearing in Annexure 18 to this report;
16. Details of other-non Current Assets as appearing in Annexure 19 to this report;
17. Details of Current Investments as appearing in Annexure 20 to this report;
18. Details of Inventories as Restated as appearing in Annexure 21 to this report;
19. Details of Trade Receivables as Restated enclosed as Annexure 22 to this report;
20. Details of Cash and Cash Equivalents as Restated enclosed as Annexure 23 to this report;
21. Details of Short Term Loans & Advances as Restated as appearing in Annexure 24 to this report;
22. Details of other Current Assets as Restated as appearing in Annexure 25 to this report;
23. Details of other Current Assets as Restated as appearing in Annexure 26 to this report;
24. Details of Revenue from operations as Restated as appearing in Annexure 27 to this report;
25. Details of Particulars of Sale od Product as Restated as appearing in Annexure 28 to this report;
26. Details of Other Income as Restated as appearing in Annexure 29 to this report;
27. Details of Cost of Material Consumed as Restated as appearing in Annexure 30 to this report;
28. Details of Purchase of Stock-In-trade as Restated as appearing in Annexure 31 to this report;
29. Details of Changes in Inventories as Restated as appearing in Annexure 32 to this report;
30. Details of Employee Benefit Expenses as Restated as appearing in Annexure 33 to this report;
31. Details of Finance Cost as Restated as appearing in Annexure 34 to this report;
32. Details of Depreciation and Amortisation as Restated as appearing in Annexure 35 to this report;
33. Details of Other expenses as Restated as appearing in Annexure 36 to this report;
34. Details of Related Parties Transactions as Restated as appearing in Annexure 37 to this report;
35. Details of Summary of Accounting Ratios as Restated as appearing in Annexure 38 to this report
36. Capitalization Statement as Restated as at 20th June 2017 as appearing in Annexure 39 to this report;
37. Statement of Tax Shelters as Restated as appearing in Annexure 40 to this report.

8. We, Doshi Maru & Associates, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India ("**ICAI**") and hold a valid peer review certificate issued by the "Peer Review Board" of the ICAI.

9. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.

10. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. In our opinion, except for the matter contained in para 5(d), the above financial information contained in Annexure 1 to 40 of this report read with the respective Significant Accounting Polices and Notes to Accounts as set out in Annexure 4 are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.

13. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

For Doshi Maru & Associates
Chartered Accountants

Sarvesh A. Gohil
Partner
FRN No. 0112187W
Membership No. 135782
Place: Jamnagar
Date: 11/07/2017

SAGAR DIAMONDS LIMITED
Statement of Assets and Liabilities as Restated

Annexure - 1

(Amt. in Rs.)

	Particulars	Note No.	As at 20th June 2017	As at 31st March 2017	As at 31st March 2016
I.	**EQUITY AND LIABILITIES**				
1	**Shareholders' funds**				
	(a) Share capital	2	9,26,27,800.00	1,00,000.00	1,00,000.00
	(b) Reserves and surplus	3	12,31,89,702.51	34,50,222.75	(21,750.00)
2	**Non-current liabilities**				
	(a) Long-term borrowings	4	19,84,000.00	18,95,000.00	-
	(b) Deferred tax liabilities (Net)		9,072.74	-	-
	(c) Other Long-term Liabilities	5	-	-	-
	(d) Long-term Provisions	6	-	-	-
3	**Current liabilities**				
	(a) Short-term borrowings	7	-	-	-
	(b) Trade payables	8	19,38,49,625.00	9,49,43,750.00	
	(c) Other current liabilities	9	60,000.00	20,000.00	5,750.00
	(d) Short-term provisions	10	28,79,660.00	15,39,858.00	-
	TOTAL		**41,45,99,860.25**	**10,19,48,830.75**	**84,000.00**
II.	**ASSETS**				
1	**Non-current assets**				
	(a) Fix Assets	11			
	(i) Property Plant and Equipment		51,98,225.25	25,08,626.00	-
	(ii) Intangible Assets		-	-	-
	(iii) Intangible Assets under development		-	-	-
	(iv) Capital Work in Progress		-		-
	(b) Non Current Investments	12	-	-	-
	(c) Deffered Tax Assets (Net)		-	6,720.75	-
	(d) Long-term loans and advances	13	19,74,13,042.00	-	-
	(e) Other Non Current Assets	14	70,43,200.00	-	-
2	**Current assets**				
	(a) Current Investments	15	-	-	-
	(b) Inventories	16	26,90,646.00	-	-
	(c) Trade receivables	17	20,20,70,263.00	9,93,64,350.00	-
	(d) Cash and cash equivalents	18	1,84,484.00	69,134.00	84,000.00
	(e) Short-term loans and advances	19	-	-	-
	(f) Other Current Assets	20	-	-	-
	TOTAL		**41,45,99,860.25**	**10,19,48,830.75**	**84,000.00**

Accounting Policies & Notes on Accounts **1**

As per our Report on Even date attached

For Doshi Maru & Associates

Chartered Accountants
Sarvesh A Gohil
Partner
M. No. 135782
FRN No. 112187W
Place : Jamnagar
Date : July 11, 2017

For and on behalf of the Board of Directors of Sagar Diamonds Limited

VAIBHAV DIPAK SHAH
(Managing Director)
(DIN : 03302936)

Sachin Ashok Dhobale
Chief Financial Officer

RAHIL HITESHBHAI CHOVATIA
(Director)
(DIN: 07808004)

Kaushik Haribhai Vegad
Company Secretary

SAGAR DIAMONDS LIMITED
Statement of Profit and Loss account as Restated

Annexure-2

	Particulars	Note No.	For the period ended on 20th June 2017	For the year ended 31 March 2017	For the year ended 31 March 2016
I.	Revenue from operations	22	10,28,55,678.00	9,99,89,350.00	-
II.	Other income	23	16,41,052.00	-	-
III.	**Total Revenue (I + II)**		**10,44,96,730.00**	**9,99,89,350.00**	**-**
IV.	Expenses:				
	Cost of materials consumed	24	-	-	-
	Purchases of Stock-in-Trade	25	10,07,08,640.00	9,49,43,750.00	-
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	26	(26,90,646.00)	-	-
	Employee benefits expense	27	1,32,922.00	6,573.00	-
	Finance costs	28	7,676.00	5,361.00	-
	Depreciation and amortization expense	29	44,365.38	-	-
	Other expenses	30	19,35,498.00	28,556.00	21,750.00
	Total expenses		**10,01,38,455.38**	**9,49,84,240.00**	**21,750.00**
V.	**Profit before exceptional and extraordinary items and tax (III-IV)**		**43,58,274.62**	**50,05,110.00**	**(21,750.00)**
VI	Exceptional Items	**31**	-	-	-
VII	**Profit before extraordinary items and tax (V-VI)**		**43,58,274.62**	**50,05,110.00**	**(21,750.00)**
VIII	Extraordinary items	**32**	-	-	-
IX	**Profit before tax (VII-VIII)**		**43,58,274.62**	**50,05,110.00**	**(21,750.00)**
X	Tax expense:				
	(1) Current tax		13,39,802.00	15,39,858.00	-
	(2) Deferred tax		15,793.49	(6,720.75)	-
	(3) Less :- MAT Credit Entitlement		-	-	-
XI	**Profit/(loss) for the period from Continuing operations(VII-VII)**		**30,02,679.13**	**34,71,972.75**	**(21,750.00)**
XII	Profit/(loss) from Discontinuing operations		-	-	-
XIII	**Tax Expense of Discontinuing operations**		-	-	-
XIV	**Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)**		-	-	-
XV	**Profit (Loss) for the period (XI + XIV)**		**30,02,679.13**	**34,71,972.75**	**(21,750.00)**
VIII	**Earnings per equity share:**				
	(1) Basic		-	-	-
	(2) Diluted		-	-	-

Accounting Policies & Notes on Accounts **1**

As per our Report on Even date attached
For Doshi Maru & Associates
Chartered Accountants

Sarvesh A Gohil
Partner
M. No. 135782
FRN No. 112187W
Place : Jamnagar
Date : July 11, 2017

For and on behalf of the Board of Directors of Sagar Diamonds Limited

Vaibhav Dipak Shah — **(Managing Director)** — **(DIN : 03302936)**

Rahil Hiteshbhai Chovatia — **(Director)** — **(DIN: 07808004)**

Sachin Ashok Dhobale — **Chief Financial Officer**

Kaushik Haribhai Vegad — **Company Secretary**

SAGAR DIAMONDS LIMITED
Statement of Cash Flows as Restated

Annexure 3

(Amt. in Rs.)

Particulars	For the period ending on 20.06.2017		For the period ending on31.03.2017		For the period ending on 31.03.16	
	Amount (In Rs.)	Amount (In Rs.)	Amount (In Rs.)	Amount (In Rs.)	Amount (In Rs.)	Amount (In Rs.)
Cash flow from Operating Activities						
Net Profit Before tax as per Statement of Profit & Loss		43,58,274.62		50,05,110.00		(21,750.00)
Adjustments for :						
Per Incorporation expenses written-off	-		-			
Fixed Assets Written-off	17,573.00		-			
Depreciation &Amortisation Exp.	44,365.38		-		-	
Interest Income	-		-		-	
Deducation From Reserve & Surplus (Bonus Share Issue)	(33,00,000.00)		-			
Finance Cost	7,676.00	(32,30,385.62)	5,361.00	5,361.00	-	-
Operating Profit before working capital changes		11,27,889.00		50,10,471.00		(21,750.00)
Changes in Working Capital						
Trade receivable	(10,27,05,913.00)		(9,93,64,350.00)		-	
Other Loans and advances receivable	-		-		-	
Inventories	(26,90,646.00)		-		-	
Trade Payables	9,89,05,875.00		9,49,43,750.00		-	
Other Current Assets	-		-		-	
Other Current Liabilities	40,000.00		14,250.00		5,750.00	
Short term Provisions	13,39,802.00	(51,10,882.00)		(44,06,350.00)		5,750.00
Net Cash Flow from Operation		(39,82,993.00)		6,04,121.00		(16,000.00)
Extraordinary items		-		-		
Less : Income Tax paid		(13,39,802.00)		-		
Net Cash Flow from Operating Activities (A)		(53,22,795.00)		6,04,121.00		(16,000.00)
Cash flow from investing Activities						
Purchase of Fixed Assets	(27,51,537.00)		(25,08,626.00)		-	
Movement in Other Non Current Assets	(70,43,200.00)		-		-	
Movement in Loan & Advances	(19,74,13,042.00)		-		-	
Interest Income	-		-		-	
		(20,72,07,77		(25,08,626.		-

		9.00)		00)		
Net Cash Flow from Investing Activities (B)		(20,72,07,779.00)		(25,08,626.00)		-
Cash Flow From Financing Activities						
-						
Proceeds From Issue of shares capital	21,25,64,600.00		-		1,00,000.00	
Proceeds From long Term Borrowing (Net)	89,000.00		18,95,000.00		-	
Short Term Borrowing (Net)	-		-		-	
Interest Paid	(7,676.00)		(5,361.00)		-	
	-	21,26,45,924.00		18,89,639.00	-	1,00,000.00
Net Cash Flow from Financing Activities (C)		21,26,45,924.00		18,89,639.00		1,00,000.00
Net (Decrease)/ Increase in Cash & Cash Equivalents (A+B+C)		**1,15,350.00**		**(14,866.00)**		**84,000.00**
Opening Cash & Cash Equivalents		69,134.00		84,000.00		-
Cash and cash equivalents at the end of the period		**1,84,484.00**		**69,134.00**		**84,000.00**
Cash And Cash Equivalents Comprise :						
Cash		50,607.00		65,396.00		84,000.00
Bank Balance :						
Current Account		1,33,877.00		3,738.00		
Total		**1,84,484.00**		**69,134.00**		**84,000.00**

For DOSHI MARU & ASSOCIATES
Chartered Accountants

For and on behalf of the Board of Directors of Sagar Diamonds Limited

	VAIBHAV SHAH	**RAHIL HITESHBHAI CHOVATIA**
	(Managing Director)	**(Director)**
Sarvesh A Gohil	**(DIN : 03302936)**	**(DIN: 07808004)**
Partner		
		Kaushik
M.No. 135782	**Sachin Dhobale**	**HaribhaiVegad**
F.R.N. 112187W		
Place: Jamnagar		
Date : July 11, 2017	**Chief Financial Officer**	**Company Secretary**

Reconciliation of Restated profit: **Annexure - 5**

Adjustments for	Period upto June 20, 2017	Period ended March 31, 2017	Period ended March 31, 2016
Net profit/(Loss) after Tax as per Audited Profit & Loss Account	**29,49,697.00**	**34,01,970.00**	**(5,750.00)**
Adjustments for:			
Income Tax Provision difference	77,585.00	59,282.00	-
Depreciation	8,490.62	-	
Fixed Assets Written off	(17,573)	-	-
Deferred Tax Liability / Asset Adjustment	(15,793.49)	6,720.75	-
Pre- incorporation expenses	-	4000.00	(16,000.00)
Total Adjustments	**52,982.13**	**70,002.25**	**(16,000.00)**
Net Profit/ (Loss) After Tax as Restated	**34,71,972.75**	**34,71,972.75**	**(21,750.00)**

Notes:

1 Depreciation

Depreciation has been calculated by following the Schedule III of the companies act in the restated accounts and Assets below the value of Rs. 5000/- has been written off in the book of accounts as required in the companies act 2013.

2 Deferred Tax Liability / Asset Adjustment

As the company has not recognised the Deffered tax assets and liability on the Temporly difference and as a results the same has been recognized in the restatements of accounts.

3 Provion For Income Tax

The Profit before tax has changed due to restatements of above items and the corresponding the provision for current tax has been also restated

4 Fixed Assets written off

As required by the companies act 2013 fixed assets below the value of Rs. 5000/- has been written off in the books of accounts of the company.

5 Pre Incorporation expenses

As required by AS 26 the pre incorporation expenses are not Carried forward and expended in the year of expenses only.

6 Qualifications to the Audit Report

The Statutory Auditor in their report dated July 03, 2017 for the period ended June 20, 2017 and the report dated April 08, 2017 for the FY ended March 31, 2017 has qualified their opinion. The basis for qualification has been reproduced below:

"As per Accounting Standard- 15 (Employee Benefits) issued by the Institute of Chartered Accountants of India, Company is required to assess its gratuity liability each year on the basis of actuarial valuation and make provision for gratuity liability. However, company has not provided for gratuity liability in the financial statement and has not taken any actuarial valuation report. So same have been not provided in financial statements."

Note No. 2 **Annexure 6**

SHARE CAPITAL (Amt. in Rs.)

Share Capital	As at 20th June, 2017		As at 31st March 2017		As at 31st March 2016	
	Number	Amt. Rs.	Number	Amt. Rs.	Number	Amt. Rs.
Authorised	-	-	-	-	-	-
Equity Shares of Rs.10 each	1,00,00,000.00	10,00,00,000.00	10,000.00	1,00,000.00	10,000.00	1,00,000.00
Issued						
Equity Shares of Rs.10 each	92,62,780.00	9,26,27,800.00	10,000.00	1,00,000.00	10,000.00	1,00,000.00
Subscribed & Paid up						
Equity Shares of Rs.10 each fully paid up	92,62,780.00	9,26,27,800.00	10,000.00	1,00,000.00	10,000.00	1,00,000.00
Total	92,62,780.00	9,26,27,800.00	10,000.00	1,00,000.00	10,000.00	1,00,000.00

(1) The Company has only one Class of equity shares having face value of Rs. 10 Per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees.

(2) In the even of Liquidation of the company, The holders of Equity shares will be entitled to receive remaining asset of the company, after distribution of all distribution of all preferential shares amounts, if any. The Distribution will be in proportion to the number of equity shares held by the shareholders.

RECONCILIATION OF NUMBER OF SHARES

Particulars	Equity Shares		Equity Shares		Equity Shares	
	Number	Amount	Number	Amount	Number	Amt. Rs.
Shares outstanding at the beginning of the year	10,000.00	1,00,000.00	10,000.00	1,00,000.00	10,000.00	1,00,000.00
Shares Issued during the year	89,22,780.00	8,92,27,800.00	-	-	-	-
Bonus Shares Issued during the year	3,30,000.00	33,00,000.00				
Shares bought back during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	92,62,780.00	9,26,27,800.00	10,000.00	1,00,000.00	10,000.00	1,00,000.00

(1) The Company has issued shares against the Business purchase of Sagar Gems (Prop. Vaibhav Dipak Shah) to the consideration of Rs. 5,92,18,600/- of Rs. 10 each.

Details of Shares held by shareholders holding more than 5% of the aggregate shares in the co.

Name of Shareholder	As at 20th June, 2017		As at 31st March 2017		As at 31st March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Rohit Laxman Khade	1000	0%	NIL	0%	1,000.00	10%
Vaibhav Dipak Shah	62,27,860.00	67%	9,000.00	90%	9,000.00	90%
Nidhi Hiteshkumar Chovatia	16,660.00	0%	500.00	5%	-	0%
S G Diamonds LLP	30,01,260.00	32%	500.00	5%	-	0%

RESERVE AND SURPLUS **Annexure - 7**

Particulars	As at 20th June 2017	As at 31st March 2017	As at 31st March 2016
A. Securities Premium Account			
Opening Balance	-	-	-
Add : Securities premium credited on Share issue	12,00,36,800.00	-	-
Less : Premium Utilised for various reasons	-	-	-
For Issuing Bonus Shares	-	-	-
Closing Balance	12,00,36,800.00	-	-
B. Surplus			
Opening balance	34,50,222.75	(21,750.00)	-
(+) Net Profit/(Net Loss) For the current year	30,02,679.13	34,71,972.75	(21,750.00)
(-) Issue of Bonus Shares from Free Reserves	33,00,000.00	-	-
Closing Balance	**31,52,901.88**	**34,50,222.75**	**(21,750.00)**
Total	**12,31,89,701.88**	**34,50,222.75**	**(21,750.00)**

LONG TERM BORROWINGS **Annexure-8**

Particulars	As at 20th June 2017	As at 31st March 2017	As at 31st March 2016
Secured	**-**	**-**	**-**
(a) Term loans			
From Banks			
UCO BANK	-	-	-
Sub-total (a)	-	-	-
Unsecured	**-**	**-**	**-**
(a) Loans & Advances from Promoters/ Promoter Group/ Group Companies			
From Promoters	-	-	-
From Promoter Group	-	-	-
From Group Companies	-	-	-
From Director/Other Relatives	19,84,000.00	18,95,000.00	-
(b) Loans & Advances from Others	-	-	-
Sub-total (a+b)	19,84,000.00	18,95,000.00	-
Total	19,84,000.00	18,95,000.00	-

OTHER LONG TERM LIABILITIES **Annexure-9**

Particulars	As at 20th June 2017	As at 31st March 2017	As at 31st March 2016
(a) Trade Payables	-	-	-
(b) Others	-	-	-
Total	-	-	-

Deferred Tax Liabilities (Net) **Annexure - 10**

Particulars	As on 20.06.2017	As on 31.03.2017	As on 31.03.2016
WDV as per book	51,98,225.25	-	-
WDV as per IT	51,68,863.63	-	-
Time Difference	29,361.62	-	-
Carried Forward Loss	-	(21,750.00)	-
Total	29,361.62	(21,750.00)	-
As per B/S (Liability/(Asset))	9,072.74	(6,720.75)	-
Transfer to P & L A/c (Loss/(Profit))	15,793.49	(6,720.75)	-

LONG TERM PROVISIONS **Annexure-11**

Particulars	As at 20th June 2017	As at 31st March 2017	As at 31st March 2016
(a) Provision for Employee Benefits			
Provision for Gratuity	-	-	-
(b) Others (specify nature)	-	-	-
Total	-	-	-

SHORT TERM BORROWINGS **Annexure-12**

Particulars	As at 20th June 2017	As at 31st March 2017	As at 31st March 2016
Secured			
(a) Working Capital Loans from banks	-	-	-
UCO Bank CC			
	-	-	-
Unsecured	-	-	-
(a) Loans & Advances from Promoter/ Promoter Group/ Group Companies	-	-	-
(a) Loans & Advances from Others	-	-	-
	-	-	-
In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (a) (b) & (d)			
1. Period of default	-	-	-
2. Amount	-	-	-
Total	-	-	-

TRADE PAYABLES **Annexure-13**

Particulars	As at 20th June 2017	As at 31st March 2017	As at 31st March 2016
(a) Micro,Small and Medium Enterprise	-	-	-
(b) Others	19,38,49,625.00	9,49,43,750.00	-
Total	**19,38,49,625.00**	**9,49,43,750.00**	-

OTHER CURRENT LIABILITIES **Annexure-14**

Particulars	As at 20th June 2017	As at 31st March 2017	As at 31st March 2016
(i) Current maturities of Long Term Debt (i.e. Term Liability classified as current)			
UCO Bank term Loan	-	-	-
(ii) Statutory Remittance			
(i) Excise Payable			
(ii) VAT Payable	-	-	-
(iii) TDS Payable	20,000.00	-	-
(iii) Advanced from Customer	-		-
(iv) Other Payables (Specify Nature)	40,000.00	20,000.00	5,750.00
Total	**60,000.00**	**20,000.00**	**5,750.00**

SHORT TERM PROVISIONS **Annexure-15**

Particulars	As at 20th June 2017	As at 31st March 2017	As at 31st March 2016
Provision For	**-**	**-**	**-**
(a) Employee benefits	-	-	-
(b) Others (Specify nature)			
Income Tax Provision F.Y. 16-17	15,39,858.00	-	-
Income Tax Provision	13,39,802.00	15,39,858.00	-
Total	**28,79,660.00**	**15,39,858.00**	**-**

Sagar Diamonds Limited

Note 9 **FIXED ASSETS** **Annexure-16**

	Fixed Assets	Gross Block				Accumulated Depreciation					Net Block	
		Balance as at 1 April 2016	Additions	Disposal/ Adjustment	Balance as at 31th March 2017	Balance as at 1 April 2016	Amount Charged to Reserves	Depreciation charge for the year	Deductions/ Adjustments	Balance as at 31th March 2017	Balance as at 31th March 2017	Balance as at 1 April 2016
a	**Tangible Assets**											
	Land	-	25,08,626.00	-	25,08,626.00	-	-	-	-	-	25,08,626.00	-
		-	**25,08,626.00**	**-**	**25,08,626.00**	**-**	**-**	**-**	**-**	**-**	**25,08,626.00**	**-**

	Fixed Assets	Gross Block				Accumulated Depreciation					Net Block	
		Balance as at 1 April 2017	Additions	Disposal/ Adjustment	Balance as at 20 June 2017	Balance as at 1 April 2017	Amount Charged to Reserves	Depreciation charge for the year	Deductions/ Adjustments	Balance as at 20 June 2017	Balance as at 20 June 2017	Balance as at 1 April 2017
a	**Tangible Assets**											
	Land	25,08,626.00	-	-	25,08,626.00	-	-	-	-	-	25,08,626.00	25,08,626.00
	Plant and Machinery General	-	6,01,033.00	-	6,01,033.00	-	-	6,334.98	-	6,334.98	5,94,698.02	-
	General furniture and fittings	-	7,58,344.50	-	7,58,344.50	-	-	10,764.90	-	10,764.90	7,47,579.60	-
	Vehicles	-	11,80,164.38	-	11,80,164.38	-	-	21,250.86	-	21,250.86	11,58,913.52	-
	Computer	-	23,980.00	-	23,980.00	-	-	1,165.18	-	1,165.18	22,814.82	-
	Mobile Instrument	-	16,125.00	-	16,125.00	-	-	783.51	-	783.51	15,341.49	-
	Office equipment	-	1,54,317.75	-	1,54,317.75	-	-	4,065.94	-	4,065.94	1,50,251.81	-
	Total	**25,08,626.00**	**27,33,964.63**	**-**	**52,42,590.63**	**-**	**-**	**44,365.38**	**-**	**44,365.38**	**51,98,225.25**	**25,08,626.00**

Note :- Company has purchased the Going Concern business of sagar gems and assets of the Sagar gems has been purchase by the company by agreemnent dtd. 25.04.2017 and the value of the Assets for Depreciation purpose has been taken as the Purchase cost as agreed by the Company and given to the Sagar Gems as entered in the Agreement Dtd. 25.04.2017.

NON CURRENT INVESTMENTS **Annexure-17**

Particulars	As at 20th June 2017	As at 31st March 2017	As at 31st March 2016
(a) Investment in Property	-	-	-
(b) Investment in Equity Instruments	-	-	-
(c) Investment in Preference Shares	-	-	-
(d) Investments in Government or Trust Securities	-	-	-
(e) Investments in Debentures or Bonds	-	-	-
(f) Investments in Mutual Funds	-	-	-
(g) Investments in Partnership Firms	-	-	-
(h) Other Non Current Investments	-	-	-
Aggregate amount of unquoted Investments	**-**	**-**	**-**
Aggregate Cost of Quoted Investment			
Aggregate Cost of Unquoted Investment	-	-	-
Aggregate Market Value of Quoted	-	-	-
Total	**-**	**-**	**-**

LONG TERM LOANS AND ADVANCES **Annexure-18**

Particulars	As at 20th June 2017	As at 31st March 2017	As at 31st March 2016
(Unsecured and Considered Good)			
a. long term loans and advances recoverable from Directors/ Promoters/ Promoter Group/ Associates/ Relatives of Directors/Group Company	4,54,07,944.00	-	-
b. Other Long Term Loans & Advances			
Other Advances	15,19,48,016.00	-	-
Security Deposits	57,082.00	-	-
Total	**19,74,13,042.00**	**-**	**-**

OTHER NON CURRENT ASSETS **Annexure-19**

Particulars	As at 20th June 2017	As at 31st March 2017	As at 31st March 2016
Prepaid Expenses	6,500.00	-	-
Seized With IT Authority	50,36,700.00	-	-
Insurance Claim Receivable	20,00,000.00	-	-
Total	**70,43,200.00**	**-**	**-**

CURRENT INVESTMENTS **Annexure-20**

Particulars	As at 20th June 2017	As at 31st March 2017	As at 31st March 2016
(a) Investment in Equity Instruments	-	-	-
(b) Investment in Preference Shares	-	-	-
(c) Investments in Government or Trust Securities	-	-	-
(d) Investments in Debentures or Bonds	-	-	-
(e) Investments in Mutual Funds	-	-	-
(f) Investments in Partnership Firms	-	-	-
(g) Other Investments	-	-	-
Aggregate amount of unquoted Investments	**-**	**-**	**-**
Aggregate Cost of Quoted Investment			
Aggregate Cost of Unquoted Investment	-	-	-
Aggregate Market Value of Quoted	-	-	-
Total	**-**	**-**	**-**

INVENTORIES **Annexure-21**

Particulars	As at 20th June 2017	As at 31st March 2017	As at 31st March 2016
a. Raw Materials and components (Valued at Lower of Cost or NRV as per FIFO Method)	-	-	-
b. Work-in-progress (Valued At Estimated Cost)	-	-	-
c. Finished goods (Valued at Cost or NRV as per FIFO) (Valued At Lower of Cost or NRV)	-	-	-
d. Stock-in-Trade (Valued at Lower of Cost or NRV as per FIFO Method)	26,90,646.00	-	-
d. Stores & Spares (Valued at Lower of Cost or NRV as per FIFO Method)	-	-	-
Total	**26,90,646.00**	**-**	**-**

TRADE RECEIVABLES **Annexure-22**

Particulars	As at 20th June 2017	As at 31st March 2017	As at 31st March 2016
(Unsecured and Considered Good)			
a. From Directors/Promoters/ Promoter Group/ Associates/ Relatives of Directors / Group Companies			
Over Six Months	-	-	-
Others	-	-	-
b. From Others			
Over Six Months	-	-	-
Others	20,20,70,263.00	9,93,64,350.00	-
Total	20,20,70,263.00	9,93,64,350.00	-

CASH AND CASH EQUIVALENTS **Annexure-23**

Particulars	As at 20th June 2017	As at 31st March 2017	As at 31st March 2016
a. Balances with banks			
Axis Bank	1,33,877.00	3,738.00	
b. Cash on hand*	50,607.00	65,396.00	84,000.00
c. Fixed Deposits			
Less Than Six Month			
More Than Six Month			
Total	1,84,484.00	69,134.00	84,000.00

SHORT TERM LOANS AND ADVANCES **Annexure-24**

Particulars	As at 20th June 2017	As at 31st March 2017	As at 31st March 2016
(Unsecured and Considered Good)			
a. Loans and advances to Directors/ Promoters/ Promoter Group/ Associates/ Relatives of Directors/ Group Company	-	-	-
b. Balance with Government Authorities	-	-	-
c. Others (specify nature)			
Advance to Suppliers	-	-	-
Others	-	-	-
Total	-	-	-

OTHER CURRENT ASSETS **Annexure-25**

Particulars	As at 20th June 2017	As at 31st March 2017	As at 31st March 2016
(a) Other	-	-	-
Total	-	-	-

CONTINGENT LIABILITIES AND COMMITMENTS **Annexure-26**

Particulars	As at 20th June 2017	As at 31st March 2017	As at 31st March 2016
(a) Contingent Liabilities			
a. Claims against the company not acknowledged as debts	-	-	-
b. Guarantees	-	-	-
c. Other Money for which the company is contingently liable	-	-	-
(b) Commitments	-	-	-
Total	-	-	-

REVENUE FROM OPERATIONS **Annexure - 27**

Particulars	For the period ended on 20th June 2017	For the year ended 31 March 2017	For the year ended 31 March 2016
Sale of products	10,28,55,678.00	9,99,89,350.00	-
Other Operating Revenue	-	-	-
Less:	-	-	-
Excise duty			
Total	**10,28,55,678.00**	**9,99,89,350.00**	**-**

PARTICULARS OF SALE OF PRODUCTS **Annexure-28**

Particulars	For the period ended on 20th June 2017	For the year ended 31 March 2017	For the year ended 31 March 2016
Sale of Manufactured Goods Comprised			
Sale of Traded Goods			
Diamond	10,28,55,678.00	9,99,89,350.00	-
Total	**10,28,55,678.00**	**9,99,89,350.00**	**-**

OTHER INCOME **Annexure - 29**

Particulars	For the period ended on 20th June 2017	For the year ended 31 March 2017	For the year ended 31 March 2016
Interest Income			
Interest on FD Deposits			
Interest on TDS Refund	-		-
Interest on DGVCL Deposit	-	-	
Other Income			
Miss. Income	9,231.00	-	-
Foregin Exchanges Difference	16,31,821.00	-	-
Reversal of Bank Charges	-	-	-
Subsidy on Electricity	-	-	-
Foreign Exchange Gain	-	-	-
Total	**16,41,052.00**	**-**	**-**

COST OF MATERIAL CONSUMED **Annexure - 30**

Particulars	For the period ended on 20th June 2017	For the year ended 31 March 2017	For the year ended 31 March 2016
Opening Stock Raw Materials	-	-	-
Add:- Purchase of Raw Materials	-	-	-
Clsoing Stock of Raw Materials	-	-	-
Cost of Raw Material Consumed	**-**	**-**	**-**

PURCHASES OF STOCK-IN-TRADE **Annexure-31**

Particulars	For the period ended on 20th June 2017	For the year ended 31 March 2017	For the year ended 31 March 2016
Traded Goods			
Diamond Purchase	10,07,08,640.00	9,49,43,750.00	-
Total	**10,07,08,640.00**	**9,49,43,750.00**	**-**

CHANGES IN INVENTORIES OF FINISHED GOODS , WIP and STOCK -IN-TRADE **Annexure - 32**

Particulars	For the period ended on 20th June 2017	For the year ended 31 March 2017	For the year ended 31 March 2016
Inventories at the end of the year	**-**	**-**	**-**
Finished Goods			
Work In Progress			
Stock-in-Trade	-26,90,646.00	-	-
Inventories at the beginning of the year	**-**	**-**	**-**
Finished Goods	-	-	-
Work In Progress	-	-	-
Stock-in-Trade	-	-	-
Net(Increase)/decrease	**-26,90,646.00**	**-**	**-**

EMPLOYEE BENEFITS EXPENSES **Annexure - 33**

Particulars	For the period ended on 20th June 2017	For the year ended 31 March 2017	For the year ended 31 March 2016
(a) Salaries and Wages	1,32,922.00	5,000.00	-
(b) Contributions to Provident Fund & Other Fund			
Gratuity Provision			
(c) Staff welfare expenses	-	1,573.00	-
Total	**1,32,922.00**	**6,573.00**	**-**

FINANCE COST **Annexure - 34**

(a) Loans & Advances from Others	For the period ended on 20th June 2017	For the year ended 31 March 2017	For the year ended 31 March 2016
(a) Interest expense :-			
(i) Borrowings	-	-	-
(ii) Interest on TDS	-	-	-
(ii) Interest on late payment	-	-	-
(b) Other borrowing costs	7,676.00	5,361.00	-
Total	**7,676.00**	**5,361.00**	**-**

DEPRECIATION AND AMORTISATION **Annexure - 35**

Particulars	For the period ended on 20th June 2017	For the year ended 31 March 2017	For the year ended 31 March 2016
Depreciation Exp	44,365.38	-	-
Amortisation Exp	-	-	-
Total	**44,365.38**	**-**	**-**

OTHER EXPENSES **Annexure - 36**

Particulars	For the period ended on 20th June 2017	For the year ended 31 March 2017	For the year ended 31 March 2016
Manufacturing Expenses			
Consumption of stores & spare parts	-	-	-
Electric Power & Fuel	6,977.00	-	-
Selling & Distribution Expenses			
Establishment Expenses			
Rates & Taxes	-	-	-
Freight Forwarding Charges	398.00	-	-
Payment To auditor	20,000.00	20,000.00	5,750.00
Repair & Maintenance	99,351.00	-	-
Fixed Assets Written Off	17,573.00	-	-
Lease Rent	-	2,300.00	-
Legal & Professional Fees	16,68,568.00	-	-
Pre Incorporation Exp.	-	-	16,000.00
Office Exp	17,421.00	1,256.00	-
Miscellaneous Expense	1,05,210.00	5,000.00	-
Total	**19,35,498.00**	**28,556.00**	**21,750.00**

Related Party Transactions **Annexure - 37**

Name	Nature of Transaction	Amount of Transaction Debited During 2015-16	Amount of Transaction Credited During 2015-16	Amount Outstanding as on 31.03.16 (Payable)/ Receivable	Amount of Transaction Debited During 2016-17	Amount of Transaction Credited During 2016-17	Amount Outstanding as on 31.03.2017 (Payable) / Receivable	Amount of Transaction Debited on 20.06.2017	Amount of Transaction Credited on 20.06.2017	Amount Outstanding on 20.06.2017 (Payable)/ Receivable
Sagar Gems	Unsecured Loan	-	-	-	-	18,95,000.00	18,95,000.00	10,68,14,713.75	5,92,18,599.19	(4,57,01,114.56)
Vaibhav Dipak Shah	Unsecured Loan	-	-	-	-	-	-	-	19,84,000.00	19,84,000.00

Summary of Accounting Ratios **Annexure - 38**

Ratios	For the day ended 20th June, 2017	For the period ended 31th March, 2016	For the Year ended 31th March, 2016
Restated PAT as per P& L Account	30,02,679.13	34,71,972.75	-21,750.00
Weighted Average Number of Equity Shares at the end of the Year/Period(Pre Bonus Issue)	12,90,958	10,000	10,000
Weighted Average Number of Equity Shares at the end of the Year/Period(Post Bonus Issue)	16,20,958	16,20,958	16,20,958
No. of equity shares at the end of the year/period (Pre Bonus Issue)	89,32,780	10,000	10,000
No. of equity shares at the end of the year/period (Post Bonus Issue)	92,62,780	3,40,000	3,40,000
Net Worth	**21,58,17,502.51**	**35,50,222.75**	**78,250.00**
Earnings Per Share			
Basic & Diluted	2.33	347.20	-2.18
Adjusted Basic & Diluted EPS	1.85	2.14	-0.01
Return on Net Worth (%)	**1.39%**	**97.80%**	**-27.80%**
Net Asset Value Per Share (Rs) (Pre Bonus issue)	**24.16**	**355.02**	**7.83**
Net Asset Value Per Share (Rs) (Post Bonus issue)	**23.30**	**10.44**	**0.23**
Nominal Value per Equity share (Rs.)	10.00	10.00	10.00

Footnote

1. Ratios have been calculated as below

Basic and Diluted Earnings Per Share (EPS) (Rs.)	Restated PAT available to Equity Shareholder / Weighted Average Number of equity share
Return on Net Worth (%)	Restated Profit after Tax available to equity Shareholders / Restated Net Worth of Equity Shareholders
Net Asset Value per equity share (Rs.)	Restated Net Worth of Equity Shareholders / Number of Equity Shares outstanding at the end of the year / period

Capitalisation Statement as at 20th June, 2017 **Annexure - 39**

Particulars	Pre Issue	Post Issue
Borrowings		
Short term debt (A)	-	[●]
Long Term Debt (B)	19,84,000.00	[●]
Total debts (C)	**19,84,000.00**	[●]
Shareholders' funds		
Equity share capital	9,26,27,800.00	[●]
Reserve and surplus - as restated	12,31,89,702.51	[●]
Total shareholders' funds	**21,58,17,502.51**	[●]
Long term debt / shareholders' funds	0.01	[●]
Total debt / shareholders' funds	0.01	[●]

Notes:

1. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 20th June, 2017

2. Long term Debts includes current maturities of long term debt.
3. The post issue capitalisation statement will be updated when the price will be arrived through book building

Statement of Tax Shelters **Annexure - 40**

Particulars	Period ended June 20, 2017	Period ended March 31, 2017	Period ended March 31, 2016
Profit before tax as per books (A)	**43,58,274.62**	**50,05,110.00**	**-21,750.00**
Normal Corporate Tax Rate (%)	**30.90%**	**30.90%**	**30.90%**
Normal Corporate Tax Rate (Other Source)(%)	**30.90%**	**30.90%**	**30.90%**
MAT Rates	**19.055%**	**19.055%**	**19.055%**
Tax at notional rate of profits	13,46,706.86	15,46,578.99	-
Adjustments :			
Permanent Differences(B)			
Expenses disallowed under Income Tax Act, 1961	-	-	-
Fixed Assets Written Off	17,573.00	-	-
Total Permanent Differences(B)	**17,573.00**	-	-
Income considered separately (C)	-	-	-
Total Income considered separately (C)	-	-	-
Timing Differences (D)			
Difference between tax depreciation and book depreciation	**-39,919.99**	-	-
Dep As Per Book	**44,365.38**	-	-
Dep As Per Income Tax	**84,285.37**	-	-
Difference due to any other items of addition u/s 28 to 44DA	-	-	-
Total Timing Differences (D)	**-39,919.99**	-	-
Net Adjustments E = (B+C+D)	**-22,346.99**	-	-
Tax expense / (saving) thereon	-6,905.22	-	-
Income from Other Sources (F)	-	-	-
Loss of P.Y. Brought Forward & Adjusted (G)	-	-21,750.00	-
Taxable Income/(Loss) (A+E+F+G)	**43,35,927.63**	**49,83,360.00**	**-21,750.00**
Taxable Income/(Loss) as per MAT	43,58,274.62	50,05,110.00	-21,750.00
Tax as per MAT	8,30,469.23	9,53,723.71	-
Basic Tax	8,06,280.80	9,25,945.35	-
Edu ess	16,125.62	18,518.91	-
SHEC	8,062.81	9,259.45	-
Tax as per Normal Calculation	13,39,801.64	15,39,858.24	-
Basic Tax	13,00,778.29	14,95,008.00	-
Edu ess	26,015.57	29,900.16	-
SHEC	13,007.78	14,950.08	-
Income Tax as returned/computed	13,39,802.00	15,39,858.00	-
Tax paid as per normal or MAT	**Normal**	**Normal**	**No Tax**

Note :-

(1) For the purpose of calculation Statement of Tax Shelter to arrive at the Effects of provision Depreciation as per Income Tax for 20th June have been Proportionated

NOTES FORMING PART OF THE RESTATED FINANCIAL STATEMENTS

BACKGROUND:-

SAGAR DIAMONDS LIMITED was incorporated in the year 2015 under the provisions of Companies Act, 2013 with Registrar of Companies, Ahmedabad vide Registration No. U36912GJ2015PLC083846.

The Company is engaged in business activity constitutes Manufacturing of Rough Diamonds and Engaged into Polished Diamonds and Jewellery, etc.

ANNEXURE – 4: Restated Significant accounting policies and notes on Accounts:

a. Basis of preparation of financial statements : -

The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, 1956 (up to March 31, 2014), and notified sections, schedules and rules of the Companies Act 2013 (with effect from April 01, 2014), including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014).

The presentation of financial statements requires estimates and assumption to be made that affect the reported amount of assets & Liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which results are known materialized.

b. Use of Estimates

The preparation and presentation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities, if any, as at the date of the financial statements and reported amounts of income and expenses during the year. Examples of such estimates include provisions for doubtful debts, employee retirement benefit plans, provision for income tax and the useful lives of fixed assets. The difference between the actual results and estimates are recognized in the period in which results are known or materialized.

c. Valuation of Inventory : -

Raw Material	:	At Lower of Cost or Net realizable value.
Semi-finished goods	:	At estimated cost.
Finished goods	:	At Lower of Cost or Net Realizable Value

d. Cash Flow Statement :-

Cash flow statement has been prepared as per requirements of Accounting Standard - 3. Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

e. Contingencies and Events Occurring After the Balance Sheet Date : -

Effects of, events occurred after Balance Sheet date and having material effect on financial statements are reflected where ever required.

f. Net Profit or loss for the period, prior period items and changes in accounting policies : -

Material items of prior period, non-recurring and extra ordinary items are shown separately, If any.

g. Depreciation accounting : -

Depreciation has been provided as per Written Down Value (WDV) Method at the rates and manner, specified in Schedule XIV to the Companies Act, 2013 for the year ending on 20th June 2017, March 2017, and 31st March, 2016 and it is provided as per the useful life prescribed under schedule II of the Companies Act, 2013 residual value of the asset is reduced equal to 5% of the original cost.

Pro Rata Basis to result in a more appropriate preparation or presentation of the financial statements.

In respect of assets added/sold during the period/year, pro-rata depreciation has been provided at the rates prescribed under Schedule II.

h. Revenue Recognition :-

Sale of goods is recognized at the point of dispatch of goods to customers, sales are exclusive of Sales tax, Vat and Freight Charges if any. The revenue and expenditure are accounted on a going concern basis. Sale of Services are recognized at the point of provision of services.

Interest Income is Recognized on a time proportion basis taking into account the amount outstanding and the rate applicable i.e. on the basis of matching concept.

Dividend from investments in shares / units is recognized when the company receives it, if any.

Other items of Income are accounted as and when the right to receive arises.

i. Accounting for Property Plant and Equipments :-

Fixed assets are stated at historical cost less accumulated depreciation and impairment losses, if any. Cost includes purchase price and all other attributable cost to bring the assets to its working condition for the intended use.

Assets under erection/installation are shown as "Capital Work in Progress". Expenditure during construction period are shown as "pre-operative expenses" to be capitalized on completion of erection/ installations of the assets.

Intangible assets are stated at acquisition cost, Net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a written down value basis over their estimated useful lives.

j. Accounting for effects of changes in foreign exchange rates:-

i. All transactions in foreign currency are recorded at the rates of exchange prevailing at the date of transaction. Any gain/ loss on account of the fluctuation in the rate of exchange is recognized in the statement of Profit and Loss.

ii. Monetary items in the form of Loans, Current Assets and Current Liabilities in foreign currencies outstanding at the close of the year are converted in Indian currency at the appropriate rates of exchange prevailing on the date of Balance Sheet. Resultant gain or loss on account of the fluctuation in the rate of exchange is recognized in the statement of Profit and Loss.

iii. In respect of Forward Exchange contracts entered into to hedge foreign currency risks, the difference between the forward rate and the exchange rate at the inception of the contract is recognized as income or expense over the life of the contract. Further, the exchange differences arising on such contracts are recognized as income or assets/liabilities.

k. Accounting for Government Grants:-

Capital subsidy receivable specific to fixed assets is treated as per accounting standard 12 and other revenue grants is recorded as revenue items.

l. Accounting for Investments:-

Investments are classified in Long-term and Short-term. Long term Investments are valued at cost. Provision is also made to recognize any diminution other than temporary in the value of such investments. Short term investments are carried at lower of cost and fair value.

m. Employees Retirement Benefit Plan :-

a. Provident Fund:-

Provident fund is a defined contribution scheme as the company pays fixed contribution at pre-determined rates. The obligation of the company is limited to such fixed contribution. The contributions are charged to Profit & Loss A/c.

b. Leave Encashment:-

The Management has decided to apply pay-as-you-go method for payment of leave encashment. So amount of leave encashment will be accounted in the Profit & Loss A/c in the financial year in which the employee retires and provision will not be made on yearly basis.

c. Provision for Gratuity:-

As per Accounting Standard- 15 (Employee Benefits) issued by the Institute of Chartered Accountants of India, Company is required to assess its gratuity liability each year on the basis of actuarial valuation and make provision for gratuity liability. However, company has not provided for gratuity liability in the financial statement and has not taken any actuarial valuation report. So same have been not provided in financial statements.

Borrowing Cost :-

Borrowing costs directly attributable to the acquisition of qualifying assets are capitalized till the same is ready for its intended use. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing cost is charged to revenue.

n. Related Party Disclosure :-

The Disclosures of Transaction with the related parties as defined in the Accounting Standard are given in ANNEXURE 37.

o. Accounting for Leases :-

The Company has not entered into any lease agreements during the years/period.

p. Earnings Per Share:-

Disclosure is made in the Annexure 38 as per the requirements of the Accounting Standard - 20.
In determining the Earnings Per share, the company considers the net profit after tax which does not include any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

The number of shares used in computing Diluted earnings per share comprises the weighted average number of shares considered for computing Basic Earnings per share and also the weighted number of equity shares that would have been issued on conversion of all potentially dilutive shares.

In the event of issue of bonus shares, or share split the number of equity shares outstanding is increased without an increase in the resources. The number of Equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

q. Accounting for Taxes on Income :-

Current Tax :-

Provision for current tax is made after taken into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

Deferred Taxes :-

Deferred Income Tax is provided using the liability method on all temporary difference at the balance sheet date between the tax basis of assets and liabilities and their carrying amount for financial reporting purposes.

1. Deferred Tax Assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available in the future against which this items can be utilized.

2. Deferred Tax Assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets is realized or the liability is settled, based on tax rates (and the tax) that have been enacted or enacted subsequent to the balance sheet date.

r. Discontinuing Operations :-

During the years/period, the company has not discontinued any of its operations.

s. Provisions Contingent liabilities and contingent assets :-

- Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

- Contingent Liabilities are not recognized but are disclosed in the Annexure-26.
- Contingent Assets are neither recognized nor disclosed in the financial statements.
- Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet Date.

t. Changes in Accounting Policies in the period/ years covered in the restated financials :-

There are no changes in significant accounting policies for the period/ years covered in the restated financials.

u. Notes on accounts as restated

- The financial statements including financial information have been reworked, regrouped, and reclassified wherever considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in financial statements/ information may not be necessarily same as those appearing in the respective audited financial statements for the relevant period/years.

- Credit and Debit balances of unsecured loans, sundry creditors, sundry Debtors, loans and Advances are subject to confirmation and therefore the effect of the same on profit could not be ascertained.

- The current maturities of the Secured Long Term Borrowings have been correctly reclassified Current maturities of Long Term Debt (which is shown in other Current Liabilities) and Long Term Borrowings.

- Since the company has taxable income and the liability for the same is more than limit specified for advance tax and the advance tax not paid by the company.

- Since the company has unsecure loan which Is given to director of company but for that company has not any agreement in writing.

- The Company has purchased the business of M/s Sagar Gems (Proprietorship Firm in which director is interested) having registered Address at 126, Blue Diamond Building, Mahidhapura, Surat, Gujarat - 395003 and PAN No. BBGPS2674L for a consideration of Rs. 5.92 Crore as on April 25, 2017 way of Slump sale and in lieu of considerations shares @ Rs. 10 were issued to the Vaibhav Deepak Shah. So transactions with M/s Sagar Gems and balances stood in the Restated Financial Statements for Restated Period are shown in Annexure of Relative Party transactions till 31.03.2017 and from 01.04.2017, business of the Proprietorship Firm is taken over by the company and merged with the restated financial statements of the company. As per the agreement, the rights of the following assets have been taken over but the liability of realization and settlement will remain with Sagar Gems. The outstanding balance as on June 20, 2017 is ₹ 4,54,07,944.

PROFORMA FINANCIAL STATEMENTS

Independent Auditors' Report on Proforma Summary Statements in Connection with the Initial Public Offer of Sagar Diamonds Limited

The Board of Directors
Sagar Diamonds Limited
(CIN No.U36912GJ2015PLC083846)
Unit No. 101, Plot No. 193 SEZ
Diamond Park, Sachin
Surat - 394230, Gujarat

Dear Sirs,

1. This report is issued in accordance with the terms of our engagement letter dated 01/04/2017.

2. The accompanying proforma summary statements of Sagar Diamonds Limited (hereinafter referred to as the "Company") comprising of the Proforma Balance Sheet as at March 31, 2017 & the Proforma Summary Statement of Profit And Loss for the financial year ended March31, 2017 read with the notes thereto, has been prepared by the Management of the Company in accordance with the requirements of paragraph 23 of item (IX)(B) of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended to date (the "SEBI Regulations") issued by the Securities and Exchange Board of India (the "SEBI") to reflect the impact of Acquisition made during the period ending on June 20, 2017and as further set out in the basis of preparation paragraph included in the attached notes to the proforma summary statements, which is initialed and stamped by us for identification purposes only.

3. We have examined the proforma summary statements. For our examination, we have placed reliance on the following:

   a) the audited financial information of the Company as on March 31, 2017 on which we have expressed an unmodified opinion in our reports dated June 6, 2017;
   b) the audited standalone financial statements of Sagar Gems as on March 31, 2017 on which we have expressed an unmodified audit opinion dated June 6, 2017; and

4. For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the proforma summary statements, nor have we, in the course of this engagement, performed an audit or review of the financial information used by the Management in the compilation of the proforma summary statements.

Managements' Responsibility for the Proforma Financial Statements

5. The preparation of the proforma summary statements, which is to be included in the offer document to be filed by the Company with the SME platform of BSE Limited ('BSE SME') in connection with its proposed Initial Public Offer (IPO), is the responsibility of the Management of the Company and has been approved by the Board of Directors of the Company (hereinafter referred to as the "Board of Directors") in their meeting July 05, 2017.
6. The Board of Directors' responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the proforma summary statements. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditors' Responsibilities

7. Pursuant to the requirement of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, it is our responsibility to express an opinion on whether the proforma summary statements of the Company as on March 31, 2017, as attached to this report, read with respective significant accounting policies and the notes thereto have been properly prepared by the Management of the Issuer Company on the basis stated in the Note 1 to the proforma summary statements.

8. We conducted our engagement in accordance with the Standard on Assurance Engagements (SAE) 3420 *Assurance Engagements to Report on the Compilation of Proforma Financial Information Included in a Prospectus*, issued by the Institute of Chartered Accountants of India. This Standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Management has compiled, in all material respects, the Proforma Standalone Financial Statements on the basis stated in para 2 to the Proforma Financial Statements.

9. The purpose of the proforma summary statements is to reflect the impact of acquisition made during the period ending on March 2017, as set out in the basis of preparation paragraph included in the attached notes to the proforma summary statements and solely to illustrate the impact of a significant event on the historical financial information of the Company, as if the event had occurred at an earlier date selected for purposes of illustration and based on the judgement and assumptions of the Management of the Company to reflect the hypothetical impact, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of:

   a) the standalone/ consolidated financial position of the Company as at March 31, 2017 or any future date; or
   b) the standalone/ consolidated results of the Company for the year ended March 31, 2017 or any future periods.

10. Our work consisted primarily of comparing the respective columns in the proforma summary statements to the underlying restated financial information, as the case may be, referred to in paragraph 3 above, considering the evidence supporting the adjustments and reclassifications, performing procedures to assess whether the basis of preparation of proforma summary statements as explained in the attached notes to the proforma summary statements provide a reasonable basis for presenting the significant effects directly attributable to the proposed amalgamation and discussing the proforma summary statements with the Management of the Company.

11. We have audited the financial statements of the Company and Sagar Gems as on March 31, 2017. We expressed unmodified opinion on the financial position, results or cash flows of the Company as on March 31, 2017.

12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13. We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to issue this report.

14. This engagement did not involve independent examination of any of the underlying financial information.

15. We believe that the procedures performed by us provide a reasonable basis for our opinion.

Opinion

16. In our opinion the proforma summary statements of the Company as on March 31, 2017 as attached to this report, read with respective significant accounting policies and the notes thereto have been properly prepared by the Management of the Issuer Company on the basis stated in the Note 1 to the proforma summary statements.

Restrictions on Use

17. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the offer document to be filed by the Company with the Securities and Exchange Board of India ('SEBI') prepared in connection with its proposed Initial Public Offer (IPO) of the Company, to be filed by the Company with the SEBI and the concerned Registrar of Companies.

Place: Surat
Date: July 05 , 2017

For V P Agrawal & Co
Firm Registration Number: 128344W
Chartered Accountants

CA Amit Agarwal
Partner
Membership Number:152990

SAGAR DIAMONDS LIMITED

RESTATED CONSOLIDATED PROFORMA BALANCE SHEET

	Particulars (₹ in Lakh)	As on 31 March 2017				Note No.
		Company	Sagar Gems	Proforma Adjustments	Proforma Consolidated	
1	**Equity and Liabilities**					
	Shareholders' Funds					
	Share Capital	1.00	592.43	625.18	626.18	2
	Reserves and Surplus	33.84	-	(625.43)	0.84	3
		34.84	**592.43**	**(0.25)**	**627.02**	
2	**Non-Current Liabilities**					
	Long Term Borrowings	18.95	772.17	(791.12)	-	3
	Deferred Tax Liabilities (Net)	-	-	-	-	
	Long Term Provisions	-	-	-	-	
	Other Long Term Liabilities	-	-	-	-	
		18.95	**772.17**	**(791.12)**	**-**	
3	**Current Liabilities**					
	Short Term Borrowings	-	-	-	-	
	Trade Payables	949.43	7906.52	-	8855.95	
	Other Current Liabilities	-	35455.80	(35455.80)	-	4
	Short Term Provisions	16.19	207.63	(207.63)	16.19	4
		965.62	**43569.95**	**(35663.43)**	**8872.14**	
	Total	**1019.53**	**44934.55**	**(36454.82)**	**9499.16**	
4	**Non-Current Assets**					
	Fixed Assets					
	Property, Plant and Equipment	25.08	527.90	(506.91)	46.07	5
	Capital Work in Progress	-	-	-	-	
	Goodwill on Consolidation	-	-	-	-	
	Long term Loans and Advances	-	114.18	(18.95)	95.23	6
	Other Non-Current Assets	-	25.25	(25.25)	-	7
		25.08	**667.33**	**(551.11)**	**141.30**	
5	**Current Assets**					
	Current Investments	-	3.15	(3.15)	-	6
	Spare Parts and Consumables	-	213.98	-	213.98	7
	Trade Receivables	993.64	43938.36	(35788.82)	9143.18	
	Cash and Bank Balances	0.69	111.74	(111.74)	0.69	
	Short Term Loans and Advances	-	-	-	-	
	Other Current Assets	-	-	-	-	
		994.45	**44267.23**	**(35903.71)**	**9357.85**	
	Total	**1019.53**	**44934.55**	**(36454.82)**	**9499.16**	

Note: The above statement should be read with the Significant Accounting Policies to the Restated consolidated Proforma Balance Sheet, and Statement of Profit and Loss as appearing in Note 1.

For V P Agrawal & Co
FRN: 128344W
Chartered Accountants

For and on behalf of the Board of Directors of Sagar Diamonds Limited

CA Amit Agarwal
Partner
Membership Number:152990

Place: Surat
Date: July 05, 2017

Vaibhav Shah
Director
DIN : 3302936
Place : Surat
Date : July 05, 2017

Rahil Hiteshbhai
Director
DIN : 0708004
Place : Surat
Date : July 05, 2017

Sachin Ashok Dhobale
Chief Financial Officer

Place: Surat
Date : July 05, 2017

Kaushik H Vegad
Company Secretary

Place: Surat
Date : July 05, 2017

SAGAR DIAMONDS LIMITED

RESTATED CONSOLIDATED PROFORMA SUMMARY STATEMENT OF PROFIT AND LOSS

(INR in Lakh)

	Particulars	As on 31 March 2017			
		Company	Sagar gems	Proforma Adjustments	Proforma Consolidated
A	**Revenue:**				
	Revenue From Operations	999.89	35798.15	-	36798.04
	Other Income	-	335.74	-	335.74
	Total Revenue	**999.89**	**36133.89**	**-**	**37133.78**
B	**Expenses:**				
	Operating Expenses	949.44	35228.45	-	36177.89
	Changes in inventories of finished stock	-	(6.03)	-	(6.03)
	Employee Benefit Expenses	0.07	8.91	-	8.98
	Depreciation Expenses	-	3.74	-	3.74
	Finance Costs	0.05	27.06	-	27.11
	Other Expenses	0.32	24.88	-	25.20
	Total Expenses	**949.88**	**35287.01**	**-**	**36236.89**
D	**Restated Profit Before Tax**	**50.01**	**846.88**	**-**	**896.89**
E	**Tax Expense/ (Income)**				
	Current Tax	15.99	200.18	-	216.17
	MAT Credit Entitlement	-	-	-	-
	Deferred Tax	-	-	-	-
	Total Tax Expense	**15.99**	**200.18**	**-**	**216.17**
F	**Restated Profit After Tax**	**34.02**	**646.70**	**-**	**680.72**

Note: The above statement should be read with the Significant Accounting Policies to the Restated Consolidated Proforma Balance Sheet, and Statement of Profit and Loss as appearing in Note 1.

For V P Agrawal & Co
FRN: 128344W
Chartered Accountants

For and on behalf of the Board of Directors of Sagar Diamonds Limited

CA Amit Agarwal
Partner
Membership Number:152990

Place: Surat
Date: July 05, 2017

Vaibhav Shah
Director
DIN : 3302936
Place : Surat
Date : July 05, 2017

Rahil Hiteshbhai Chovatia
Director
DIN : 07808004
Place : Surat
Date : July 05, 2017

Sachin Ashok Dhobale
Chief Financial Officer

Place: Surat
Date : July 05, 2017

Kaushik H Vegad
Company Secretary

Place: Surat
Date : July 05, 2017

1. Significant Accounting Policies

Basis of preparation of proforma summary statements

(a) The Board of Directors of Sagar Diamonds Limited and Sagar Gems at their respective meetings held on April 08, 2017 had proposed the succession/ corporatization of their promoter's business (the "acquisition") viz. Sagar Gems (the "Transferor") into Sagar Diamonds Private Limited (the "Transferee"). The said acquisition has been concluded on April 25, 2017 by an agreement entered between the transferor and transferee ("Business Transfer Agreement"/ "BTA").

According to the BTA, the Transferor has transferred to the Transferee Company for the Consideration and the Transferee has purchased the business from the Transferor.

(b) The proforma balance sheet of the Group (considering proposed acquisition) as at March 31, 2017 and the restated consolidated proforma summary statement of profit and loss for the year ended on March 31, 2017 [herein collectively referred to as 'proforma summary statements'] have been extracted by the management from the audited financial information of the Company ended on March 31, 2017 and audited financial statements of Sagar Gems ended on March31, 2017 for the inclusion in the offer document to be filed by the Company with the BSE SME in connection with its proposed Initial Public Offer(IPO).

Accounting assumptions made for proforma summary statements

(a) It has been assumed that Sagar Gems acquired by Sagar Diamonds Private Limited on March 31, 2017.

(b) The accounts of Sagar Gems have been restated and regrouped to comply with the uniform accounting policy of the Company.

Property Plant and Equipment ("PPE" or "Properties")

The properties are stated at actual cost of acquisition amounts or revalued amount (as the case may be), less accumulated depreciation and impairment loss, if any. The cost of an item is its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

Item of Properties are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. The Properties acquired wholly or partly with specific grant/subsidy from government, are recorded at the net acquisition cost to the Group.

The Properties under construction are disclosed as capital work-in-progress.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognized in the Statement of Profit and Loss.

Depreciation/Amortization

Depreciation on The Properties, upto the end of previous financial year upto March 31, 2017, was provided on ''Straight Line Method'' at the rates and in the manner prescribed in Schedule II of the Companies Act, 2013. Freehold land is not depreciated.

Assets individually costing less than Rs. 5,000 are fully depreciated in the year of acquisition.

Impairment of Fixed Assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

As there is no Impairment of Assets at the end of the Financial Year, hence it is not applicable.

Investments

Investments are classified into non-current investments and current investments. Investments which are intended to be held for one year or more are classified as non-current investments and investments which are intended to be held for less than one year are classified as current investments. Non-current investments are carried at cost less other than any temporary diminution in value, determined separately for each investment. Current investments are carried at lower of cost or fair value. The comparison of cost and fair value is done separately in respect of each category of investment.

Inventories

Inventories are valued at lower of cost or net realizable value. Cost is determined on first-In-First- Out (FIFO) basis. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Recognition of Income

The company recognizes revenues on the Sales of Products, net of discounts when the products are delivered to Customers when the goods are delivered, which is when risk and rewards of ownership pass to the customers.

Sales include income exchange fluctuations relating to export receivables.

Dividend from investments is recognized when the right to receive the payments is established and when no significant uncertainty as to measurability or collectability exists.

Interest income is recognized on the time basis determined by the amount outstanding and the rate applicable and where no significant uncertainty as to measurability and collectability exists.

Provisions and Contingent Liabilities

Provisions: Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the company or a present

obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Accounting for Taxation of Income

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognized for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the group reassesses unrecognized deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternative Tax (MAT) under the provisions of the Income-tax Act, 1961 is recognized as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognized an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognized an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of such transactions. Monetary assets and liabilities as at the Balance Sheet date are translated at the rates of exchange prevailing at the date of the Balance Sheet. Gains and losses arising on account of differences in foreign exchange rates on settlement/ translation of short-term monetary assets and liabilities are recognized in the Statement of Profit and Loss. Gains and losses arising on account of differences in foreign exchange rates on translation/ settlement of long-term monetary liabilities in so far as they relate to acquisition of a depreciable capital asset are added to/ deducted from the cost of the asset. Non-monetary foreign currency items are carried at cost.

Options and Swaps Contracts

No Changes in fair value of hedging instruments that are designated and considered as effective hedges of highly probable forecasted transactions are recognized directly in shareholders' funds under 'Hedging Reserve Account' and to be recognized in the Statement of Profit and Loss when the underlying transaction occurs. Changes in fair value of the hedging instruments that do not qualify for hedge accounting are recognized in the Statement of Profit and Loss as they arise.

Swaps are fair valued at each reporting date and the changes in the fair value are recognized in the Statement of Profit and Loss.

Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in Statement of Profit and Loss in the period in which they are incurred.

Leases

As a lessee:
Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

As a lesser:
The Group has leased certain tangible assets and such leases where the Group has substantially retained all the risks and rewards of ownership are classified as operating lease. Lease income on such operating leases are recognized the Statement of Profit and Loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished. Costs, including depreciation, incurred in earning the lease income are recognized as expenses.

SAGAR DIAMONDS LIMITED

NOTE 1: RESTATED CONSOLIDATED STATEMENT OF PROFORMA SIGNIFICANT ACCOUNTING POLICIES

Employee Benefits & Provident Fund:
The Company has not contributed towards provident fund for employees to the regulatory authorities.
The Company has not taken Actuarial Valuation as at Balance Sheet date which is not as per AS 15

Gratuity, Superannuation, Post-Retirement Medical Scheme:
The Company has not accounted the liability for future gratuity benefits, Post-Retirement medical scheme, Provisioning for Superannuation to be passed to the employees which is not as per AS 15 "Employees Benefit".

The Company has not taken Actuarial Valuation as at Balance Sheet date which is not as per AS 15.

Compensated Absences:
Accumulated compensated absences, which are expected to be availed or encased within 12 months from the end of the year, are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encased beyond 12 months from the end of the year, are treated as other long term employee benefits. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognized in the Statement of Profit and Loss in the year in which they arise.

Earnings Per Share
Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

Cash and Cash Equivalents
In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

SAGAR DIAMONDS LIMITED

NOTES ON RESTATED CONSOLIDATED PROFORMA BALANCE SHEET AND RESTATED CONSOLIDATED PROFORMA SUMMARY STATEMENT OF PROFIT AND LOSS OF THE GROUP

2. As per the BTA, the consideration amount shall be paid by the Transferee Company by way of issuance of 59,21,860 equity shares having face value of Rs. 10/- each and Re. 1/- in cash.

3. Reserves and Surplus of the Transferee Company as on March 31, 2017 and Performa Adjustments are as under:

(*INR in Lakh*)

PARTICULARS	AMOUNTS
Reserves and Surplus as on March 31, 2017	33.84
Performa Adjustments :	
Less : Issue of Bonus Shares to Equity Shareholders of Sagar Diamonds Private Limited	33.00
	0.84

4. This adjustments of Rs. 18.95 Lakh is pertaining to elimination of intra-group balances between Sagar Diamonds Private Limited (the 'Company') and the Transferor.
b. The Long Term Borrowing includes Personal Secured and Unsecured Borrowing of INR 772.17 Lakh in the books of Transferor which belongs to the Owner of The Transferor Company. As per the Business Transfer Agreement executed, it is not taken over from Transferor.

5. The Other Current Liabilities and Short Term Provisions of Owner of Transferor Company of INR 35663.43 Lakh which was not transferred in the books of account of the Company on March 31, 2017 from the Transferor Company

6. Property, Plant and Equipment's as at March 31, 2017 includes Personal Properties of Owner of INR 506.91 Lakh which was not taken over by the "Transferee Company" as per the BTA executed as on 25/04/2017.

7. This adjustment of Rs. 18.95 Lakh is pertaining to elimination of intra-group balances between the 'Transferee Company' and the Transferor.

8. The Other Non-Current Assets and Current Investment includes Investment in the name of Owner of Transferor Company of INR 28.40 Lakh which was not transferred in the books of account of the Company on March 31, 2017 from the Transferor Company

9. Trade Receivables of Owner of Transferor Company of INR 35788.82 Lakh which was not transferred in the books of account of the Company on March 31, 2017 from the Transferor Company

10. Cash and Bank Balances of Owner of Transferor Company of INR 111.74 Lakh which was not transferred in the books of account of the Company on March 31, 2017 from the Transferor Company

11. Earnings per Share:

In accordance with AS-20 "Earning per Share", the basic & diluted earnings per share is being calculated as under:-

Particulars	Year ended on March 31, 2017			
	The Company	Sagar Gems	Proforma Adjustments	Proforma Consolidated
Net Profit attributable to Equity Shareholders (INR in lakh)	34.02	646.70	-	680.72
Weighted Average No. of Equity Shares:				
For Basic EPS (Nos.)	10000	-	5921860	5931860
For Diluted EPS (Nos.)	10000	-	6251860	6261860
Nominal Value per share (INR)	10	-	10	10
Basic EPS (INR)	340.20	-	-	11.47
Diluted EPS (INR)	340.20	-	-	10.87

For V P Agrawal & Co
FRN: 128344W
Chartered Accountants

For and on behalf of the Board of Directors of Sagar Diamonds Private Limited

CA Amit Agarwal
Partner
Membership Number:152990

Place: Surat
Date: July 05, 2017

Vaibhav Shah
Director
DIN : 3302936
Place : Surat
Date : July 05, 2017

Rahil Hiteshbhai Chovatia
Director
DIN : 07808004
Place : Surat
Date : July 05, 2017

Sachin Ashok Dhobale
Chief Financial Officer

Place: Surat
Date : July 05, 2017

Kaushik H Vegad
Company Secretary

Place: Surat
Date : July 05, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our restated financial statements for the period ended June 20, 2017 and for the F.Y. ended March 31, 2017 and 2016 including the notes and significant accounting policies thereto and the reports thereon, which appear elsewhere in this Red Herring Prospectus. You should also see the section titled "Risk Factors" beginning on page 15 of this Red Herring Prospectus, which discusses a number of factors and contingencies that could impact our financial condition and results of operations. The following discussion relates to our Company, unless otherwise stated, is based on restated audited financial statements.

These financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the report of our auditors dated July 11, 2017 which is included in this Red Herring Prospectus under the section titled "Financial Information" beginning on page 140 of this Red Herring Prospectus. The restated financial statements have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. We do not provide a reconciliation of our restated financial statements to US GAAP or IFRS and we have not otherwise quantified or identified the impact of the differences between Indian GAAP and U.S. GAAP or IFRS as applied to our restated financial statements.

BUSINESS OVERVIEW

We are engaged in manufacturing and exporting of rough and polished diamonds procured from the trusted and certified suppliers and in jewelry making. We are also involved in trading of diamond and processing by trained and qualified workers on job work basis. Our product range includes rings, chain, mangalsutra, earrings and necklaces, which are carefully handcrafted by skilled artisans.

We have our manufacturing facility at our factory unit located in Sachin (S.E.Z), Gujarat having a total area of approximately 1,000 sq. ft. As on March 31, 2017, this facility had a capacity of Gold and Silver Jewellery of 35,000 gram per month. In the month of July 2017, the Company have consumed 1,000 gram of Silver and 28 gram of Gold. This facility for manufacturing of Diamonds Jewellery have been recognized for its quality Management System with ISO 9001:2015 vide certificate issued on July 13, 2017.

We are promoted by Mr. Vaibhav Dipak Shah. He started working in a local diamond shop where he learned the basics of diamond and decided further to plunge deep in the world of perpetual sparkle.

The subsequent chapter was Surat, which is the major hub for diamond cutting and polishing. He started his own venture in May 2010 as proprietary firm.

Our Promoter and Director, Mr. Vaibhav Dipak Shah, was doing the business since 2010 of Manufacturing and trading of Diamonds, gold, precious stones etc. On April 25, 2017, through a Business Transfer Agreement, Sagar Gems has been acquired by Sagar Diamonds Limited, a company also promoted by Mr. Vaibhav Dipak Shah, through Business Transfer Agreement entered between Sagar gems a proprietary firm of Mr. Vaibhav Dipak Shah and Sagar Diamonds Limited in a view of corporatization of their business.

We believe that we carry out extensive quality checks and source our diamonds from reliable and recognized suppliers to maintain the standard and quality of diamonds. We are providing quality that ensures customer satisfaction. We believe that we have long-term and stable relationships developed over the years with our key suppliers and our key customers although we do not have formal contracts.

We are always committed to fulfill the requirements of our clientele according to their needs. In order to meet these requirements, we have adapted to ISO 9001:2015 by Quality council of international certification UK by International Accreditation Bureau.

We have independent sales and distribution networks for our products. A substantial majority of our cut and polished diamonds are exported to diamond wholesalers and the jewellery manufacturers in the export markets. We procure diamond from suppliers at domestic and international market depending upon the needs and requirement and we believe that we have good business association with suppliers. All purchase are made through the unit in Sachin SEZ.

Our revenue from operation has increased from NIL to ₹ 9,99,89,350 in Fiscal 2017 as compared to Fiscal 2016 and further in the period ended June 20, 2017, the revenue from operations is ₹ 10,28,55,678. Our Company has made profit after tax of ₹ 34,01,970 in Fiscal 2017 from (5,750) in Fiscal 2016. Further our company, in the period ended June 20, 2017, made profit after tax ₹ 29,49,697.

RECOGNITIONS & AFFILIATIONS

ISO 9001:2015 – our company's quality management system has been certified vide certificate dated July 13, 2017 bearing certificate no. QC17MOY7576 and has been recognized in trade, manufacture, import & export, exhibit or deal in, undertake process in gold, silver, diamonds, rough diamonds, industrial diamonds, precious diamonds, precious and semiprecious stones.

Sagar Gems has obtained registration cum membership certificate as Merchant exporter from the Gem & jewelry export promotional council bearing IEC Number 5210004937 and the company in the process of updating the same in the name of the company.

ORDER BOOK

Our order book consists of following from Diamond Vision Limited from Hong Kong as on the date of this Red Herring Prospectus:

1. Dated June 01, 2017 consists of 5 PCS, Pendent and 9 PCS, Ring (cut and polished diamond studded jewellery.
2. Dated June 02, 2017 consists of 28 PCS, pendent and 114 PCS, Ring (cut and polished diamond studded jewellery.
3. Dated July 03, 2017 consists of 156 PCS, pendent and 3 PCS, Ring (cut and polished diamond studded jewellery

LOCATION

Registered office / Factory Location	Unit No.101, Plot 193, Surat Special Economic Zone, Sachin, Surat – 394230, Gujarat
Corporate Office	304, Prasad Chambers, Opera House, Mumbai 400 004, Maharashtra

Our Product Portfolio:

1. Diamonds:

We are currently engaged in the business of manufacturing and trading of diamonds. Currently we trade in the diamond sector.

2. Jewellery:

We are also engaged in the business of jewellery making and marketing. We sell a wide range of jewellery products including cut and polished diamond studded jewellery to diverse customer segments, from the value market to high-end customized jewellery. Our product profile for jewellery is explained below:

- Rings

- Earrings
- Pendants
- Mangalsutra

Performance Analysis of Sagar Gems:

Particulars	31-03-2012	31-03-2013	31-03-2014	31-03-2015	31-03-2016	31-03-2017
Revenue From Sale of Services & Goods	1,03,24,35,350	43,04,02,284	24,13,29,930	41,03,08,776	68,62,67,328	3,55,23,33,743
Other income	18,39,630	7,22,694	8,07,414	1,18,92,002	81,712	3,35,74,817
Total Revenue (A)	**1,03,42,74,980**	**43,11,24,978**	**24,21,37,344**	**42,22,00,778**	**68,63,49,040**	**3,58,59,08,560**
Expenses:						
Operational Expenses				2,87,611	25,00,652	3,24,57,14,124
Purchase of Stock-in-trade	84,45,25,660	43,31,52,365	13,90,37,119	41,38,26,334	66,10,44,393	27,71,31,356
Changes in inventories of Stock-in-Trade	13,23,13,632	-54,80,259	5,35,58,807	4,96,500	-8,44,387	-6,03,074
Employee benefits expense	5,61,000	45,000	48,000		4,25,466	7,66,670
Other expenses	5,17,11,386	22,71,552	4,75,66,978	58,36,654	1,69,50,554	53,19,516
Total Expenses (B)	**1,02,91,11,678**	**42,99,88,658**	**24,02,10,904**	**42,04,47,099**	**68,00,76,678**	**3,52,83,28,592**
Earnings Before Interest, Taxes, Depreciation & Amortization	**51,63,302**	**11,36,320**	**19,26,440**	**17,53,679**	**62,72,362**	**5,75,79,968**
Finance costs	50,148	23,90,923	71,986	1,53,830	14,39,944	
Depreciation and amortization expenses	1,61,634	3,78,304	2,81,527	2,39,332	3,79,529	3,74,507
Profit before exceptional items, extraordinary items and tax (C=A-B)	**49,51,520**	**-16,32,907**	**15,72,927**	**13,60,517**	**44,52,889**	**5,72,05,461**
Exceptional Items and Extraordinary Items	0	0	0	0	0	2,74,82,749
Profit before Tax	**49,51,520**	**-16,32,907**	**15,72,927**	**13,60,517**	**44,52,889**	**8,46,88,210**

Sagar Gems, a proprietary firm of our promoter Mr. Vaibhav Dipak Shah has entered into a Business Transfer Agreement dated April 25, 2017 in order to corporatize the business of Sagar Gems. Earlier control over all business decisions remains in the hands of the Mr. Vaibhav Dipak Shah in Sagar Gems and as owner he fully transferred the sole proprietorship as he deem necessary to Sagar Diamonds Limited. The business of Sagar Gems does not continue if the owner becomes deceased or incapacitated, since they are treated as one and the same. In worst scenario, the business is liquidated and becomes part of the owner's personal estate, to be distributed to beneficiaries. Since the initial funds are usually provided by the owner, it can be difficult to generate capital. Sole proprietorship does not issue stocks or other money-generating investments like corporations do. In view of that our promoter has decided to transfer business to a public limited company to enhance the visibility of the Business of the proprietary firm and in future there is unlimited scope for growth and expansion of business. New shares can be used to raise additional capital and experts can be employed to manage the increasing business activities. Therefore, now our company can avail of the economies of large scale operations.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION:

On April 01, 2017, Sagar Gems has been acquired by Sagar Diamonds Limited, a proprietary firm of our promoter Mr. Vaibhav, through Business Transfer Agreement entered between Vaibhav Dipak Shah and Sagar Diamonds Limited in a view of corporatization of their International Business.

a) The company will issue 59,21,860 shares of 10 each and ₹ 1 as cash payment to Vaibhav Dipak Shah against the purchase consideration of business purchase of Sagar gems.
b) The company has purchased the rights of the Stock, Debtors and Creditors but the liability to realise/settle the Debtors and Creditors is still with the Promoter because the same cannot transfer to the company.
c) Sagar Gems has to close the business from May 15, 2017.
d) The foreign exchange gain/loss has to be borne by the company and not Sagar Gems.
e) The Stock, debtors and creditors will settle in 9 months from the effective date of Signing the Agreement i.e. January 01, 2017.
f) The company has purchased the debtors and creditors of ₹ 81,49,54,940 and ₹ 79,06,52,793 are outstanding more than 9 months.
g) The company may face RBI proceeding w.r.t. to the Receipt/ Payment of the Debtors/ Creditors takenover.

SIGINIFICANT ACCOUNTING POLICIES

Our Significant Accounting policies are described in the section entitles "***Financial Information of the Company"*** on page no. 140 of the Red Herring Prospectus.

Basis of preparation of financial statements

The restated financial statements are prepared from the audited financials for the period ended June 20, 2017 and for the years ended March 31, 2017 and March 31, 2016 in accordance with the requirements of section 26 of the Companies Act 2013 read with Companies (Prospectus and Allotment of Securities) Rule 2014, and the requirements of the Securities and Exchange Board of India (Issue of capital and Disclosure Requirements) Regulation, 2009 as amended.

Use of Estimates

The preparation of Financial Statements, in conformity with the Generally Accepted Accounting Principles, requires estimates and assumptions to be made that affects the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period.

Differences between the actual results and estimates are recognized in the period in which the results are known / materialized.

Revenue Recognition

a. Revenue on sale of products is recognized when the risk and rewards of ownership are passed onto the customers, which is generally on dispatch of goods. Sales are stated net of returns and net of sales tax and other taxes as applicable;
b. Revenue is recognized only when it is reasonably certain that the ultimate collection will be made; and
c. Other income includes net gain on Foreign Exchange Translation and other miscellaneous income.

Expenditure

Purchase of Stock–in-Traded Goods
Purchase of Stock–in-Traded Goods comprises the invoice value of purchased jewellery.

Changes in Inventories of Stock-in-Trade
Changes in inventories of Stock-in-Trade comprise of the opening and closing stock of the stock-in-trade manufactured by us and the work-in-progress stock for the periods indicated.

Employee Benefit
Employee benefit expenses comprises of Salaries and Staff Welfare Expenses.

Other Expenses
Other expenses includes electric power & fuel, freight forwarding charges, auditors fees, repair & maintenance, fixed assets written off, lease rent, legal & professional fees, pre incorporation exp., office expenses and miscellaneous expense.

Finance Costs
Finance costs comprise interest expenses relating to unsecured loans.

Depreciation Expenses
Depreciation Expenses includes Depreciation on Intangible Assets (Plant & Machinery General, General Furniture and Fittings, Vehicles, Computers, Mobile Instruments and Office equipment) of the Fixed Assets.

Our Results of Operations: The following table sets forth select financial data from our restated statements of profit and loss for the financial years 2016, 2017 and the period ended June 20, 2017, the components of which are also expressed as a percentage of total revenue for such periods:

Particulars	31-03-2016	*% of total income*	31-03-2017	*% of total income*	20-06-2017	*% of total income*
Revenue From Sale of Services & Goods	-	-	9,99,89,350	*100.00%*	10,28,55,678	*99.99%*
Other income		-	-		9,231	*0.01%*
Total Revenue (A)	-	-	**9,99,89,350**	***100.00%***	**10,28,64,909**	***100.00%***
Expenses:	-	-				
Operational Expenses	-	-	-	-	-	-
Purchase of Stock-in-trade	-	-	9,49,43,750	*94.95%*	10,07,08,640	*97.90%*
Changes in inventories of Stock-in-Trade	-	-	-	-	-26,90,646	*-2.62%*
Employee benefits expense	-	-	6,573	*0.007%*	1,32,922	*0.13%*
Other expenses	5,750	*100%*	32,556	*0.03%*	19,17,925	*1.86%*
Total Expenses (B)	**5,750**	*100%*	**9,49,82,879**	***94.99%***	**10,00,68,841**	***97.28%***
Earnings Before Interest, Taxes, Depreciation & Amortization	**-5,750**	*100%*	**50,06,471**	***5.01%***	**27,96,068**	***2.72%***
Finance costs	-	-	5,361	*0.01%*	7,676	*0.01%*
Depreciation and amortization expenses	-	-	-	-	52,856	*0.05%*
Profit before exceptional items, extraordinary items and tax (C=A-B)	**-5,750**	*100%*	**50,01,110**	***5.00%***	**27,35,536**	***2.66%***
Extraordinary Items	-	-	-	-	16,31,821	***1.59%***
Profit before tax	**-5,750**	*100%*	**50,01,110**	***5.00%***	**43,67,357**	***4.25%***
Tax Expenses	-	-	-	-	-	
- Current Tax	-	-	15,99,140	*1.60%*	14,17,660	*1.38%*
- Tax adjustment of prior years	-	-	-	-	-	-
- Deferred Tax	-	-	-	-	-	-
- MAT Credit Entitlement	-	-	-	-	-	-
Tax Expense For The Year (H)	-	-	**15,99,140**	***1.60%***	**14,17,660**	***1.38%***
Profit After Tax	**-5,750**	*100%*	**34,01,970**	***3.40%***	**29,49,697**	***2.87%***

Period Ended June 20 , 2017

Total Revenue: Our Total Revenue is ₹ 10,28,64,909 primarily consists Revenue from Operations.

Revenue from Operations: Our revenue from operations was ₹ 10,28,55,678 for the Two months Twenty days ended June 20, 2017 and out of which ₹ 78793715 , *viz. 76.60 % of Total Revenue*, came from Export Sale and ₹ 2,40,61,963, *viz. 23.39 % of Total Revenue*, came from Local Sale.

Other Income: Other income was ₹ 9,231 for the period ended June 20, 2017 consists of miscellaneous Income *viz.0.01% of Total Revenue*.

Expenses

Purchase of Stock in Trade: Purchase of Stock in trade were ₹ 10,07,08,640 for the period ended June 20, 2017 mainly consist Import Purchase of ₹7,65,28,483, *viz.74.40%* while local purchase were of ₹24,18,0157, *viz.23.51%*

Changes in inventories of finished goods: Changes in inventories of finished goods include Closing stock worth of ₹26,90,646 viz. 2.62% of total revenue. The same was Nil for the year ended 2016-17.

Employee Benefit Expenses: Our Employee Benefit Expenses were ₹ 1,32,922 for the period ended June 20, 2017 were consist salaries, staff welfare expenses and PF contributions. Employee Benefit expenses are 0.13 % of total income for the period ended June 20, 2017.

Finance Cost: Our Finance Cost was ₹ 7,676 for the period ended June 20, 2017 mainly consist of Bank Charges. Further it also includes Interest on Working Capital Loan, Term Loan and Finance Charges. Finance Cost was 0.01 % of total Income for the period ended June 20, 2017.

Depreciation: Depreciation Expenses were ₹ 52,856 for the period ended June 20, 2017 mainly consist Depreciation of Tangible Assets. Depreciation Expenses were 0.05% of total income for the period ended June 20, 2017.

Other Expenses: Our Other Expenses were ₹ 19,17,925 for the period ended June 20, 2017 mainly consist of Administrative and General Expenses ₹ 17,47,002 viz 1.70% , Manufacturing Service Costs Expenses were ₹1,16,206 viz 0.11% which were Nil in March, 2016. Selling Distribution Expenses were ₹ 54,717 viz 0.05% while in march 2016 which was ₹ 5256.

Extraordinary Items: Extraordinary items includes Foreign Exchange Diff Gain Import Unrealized of rs 52,33,669 and Foreign Exchange Diff Loss Export Unrealized of rs (36,01,848) viz 1.59% which were Nil in the year 2016-17.

Financial Year 2017 as compare to Financial Year 2016

Total Revenue: Our Total Revenue is ₹ 9,99,89,350 primarily consists Revenue from Operations.

Revenue from Operations: Our revenue from operations was ₹ 9,99,89,350 for the year ended 2017, *viz. 100.00% This whole Revenue*, came from Local Sale

Other Income: No Other income was there in the year 2017 and 2016 as being no any / operation activities were being carried out in the year 2016.

Expenses

Purchase of Stock in Trade: For the year 2016-17 our whole purchase of the stock were made from local market of Rs. 9,49,43,750 *viz* 94.95% of total revenue .No purchase were made in the year 2016 reason being the operation activities were being started from the year 2016 only therefor no local purchase or any operational activities were carried out in the year 2016.

Employee Benefit Expenses: Our Employee Benefit Expenses were ₹ 6,573 for the year ended on 2017 which were consist salaries, staff welfare expenses and PF contributions. Employee Benefit expenses are 0.007% of total income for the year ended, 2017.

Finance Cost: Our Finance Cost was ₹ 5,361 for the year ended on 2017 which mainly consist of Bank Charges. Further it also includes Interest on working capital loan, Term Loan and Finance Charges. Finance Cost was 0.01 % of total Income for the year ended on 2017

Depreciation: No Depreciation was charged as Properties Plant and Equipment were not put to use during the year 2017 further no any operation activities were carried out during the mention period

Other Expenses: Our Other Expenses were ₹ 32,556 for the year ended 2017 consist of Audit remuneration of Rs 20,000 which were ₹ 5750 under the head of Administrative and General Expenses. Total other expense covered 0.03% of total income

Financial Condition, Liquidity and Capital Resources

We define liquidity as our ability to generate sufficient funds from internal and external sources to meet our obligations and commitments. In addition, liquidity includes the ability to obtain appropriate equity and debt financing and to convert into cash those assets that are no longer required to meet existing strategic and financial objectives. Liquidity cannot be considered separately from capital resources that consist of current or potentially available funds for use in achieving long-range business objectives and meeting debt service and other commitments.

We have historically financed our capital requirements primarily through cash generated from the issuance of equity shares, cash generated from operating activities and financing from banks and other financial institutions in the form of term loans,. We are required to undertake capital investment on a regular basis to purchase and upgrade our infrastructure, among other things. Our financing requirements are primarily for such capital expenditures, developing and implementing new infrastructure and working capital. We believe that we will have sufficient capital resources from our operations, Net Proceeds of the Offer and other financing from banks, financial institutions and other lenders to meet our capital requirements for at least the next 12 months.

CASH FLOWS

The table below is the summary of Cash flows for the Financial Year ended 2017, 2016 and period ended June 20, 2017:

Particulars	**For the period ended**	**For the year ended (₹ in Lakh)**	
	June 20, 2017	**31.03.2017**	**31.03.2016**
Net Cash Generated from Operating Activities	(53.23)	6.04.00	(0.16)
Net Cash from Investing Activities	2072.08	(25.09)	-
Net Cash from Financing Activities	2126.45	18.90	1.00

INDEBTEDNESS

Please refer "***Financial Indebtedness"*** on page no. 189 of the Red Herring Prospectus for details of Indebtedness of the company.

CREDIT RATING

No credit rating availed by our Company.

CAPITAL AND OTHER COMMITMENTS: N.A

CAPITAL EXPENDITURE: N.A

RELATED PARTY TRANSACTION

Please refer ***"Related Party Transaction"*** on page no. 138 of this Red Herring Prospectus.

OFF BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

EXCHANGE RATE RISK

Our company has the following Exposure of Foreign Exchange as on July 10, 2017:

Debtors

Sr. No.	Name	June 20, 2017		July 10, 2017	
		Amount in Foreign Currency	Exchange Rate	Amount in Foreign Currency	Exchange Rate
1	Diamond Vision Limited	12,36,950	64.4672	12,36,950	64.5405

Creditors

Sr. No.	Name	June 20, 2017		July 10, 2017	
		Amount in Foreign Currency	Exchange Rate	Amount in Foreign Currency	Exchange Rate
1	Clarity Impex (HK) Ltd	4,61,446.70	64.5405	4,61,446.70	64.5405
2	Pace Gems Middle East DMCC	7,10,505.57	64.5405	7,10,505.57	64.5405

Debtors (Sagar Gems)

Sr. No.	Name	June 20, 2017		July 10, 2017	
		Amount in Foreign Currency	Exchange Rate	Amount in Foreign Currency	Exchange Rate
1	Aino International	45,70,332.61	64.4672	45,70,332.61	64.5405
2	Alpha Impex	14,83,754.50	64.4672	14,83,754.50	64.5405
3	Basilica Jewellery	3,15,919.20	64.4672	3,15,919.20	64.5405
4	Hams Creation Trading FZE	30,819.00	64.4672	30,819.00	64.5405
5	Hongkong Namyang Hang	93,706.30	64.4672	93,706.30	64.5405

	Shun				
6	Liang Gem Ltd	5,08,753.50	64.4672	5,08,753.50	64.5405
7	M. Vasani Diam Fzc	39,61,127.69	64.4672	39,61,127.69	64.5405
8	Neo International FZE	14,86,885.03	64.4672	14,86,885.03	64.5405
9	N Shah & Co BVBA	92,353.87	64.4672	92,353.87	64.5405

Creditors (Sagar Gems)

Sr. No.	Name	June 20, 2017		July 10, 2017	
		Amount in Foreign Currency	Exchange Rate	Amount in Foreign Currency	Exchange Rate
1	Aino International	2,97,512.55	64.4672	2,97,512.55	64.5405
2	Alpha Impex	6,04,883.68	64.4672	6,04,883.68	64.5405
3	Global Time Asia	1,18,014.62	64.4672	1,18,014.62	64.5405
4	Luckywell Enterprises	6,13,492.41	64.4672	6,13,492.41	64.5405
5	Mafii Impex	6,54,868.49	64.4672	6,54,868.49	64.5405
6	Mafii Impex Limited	22,86,535.88	64.4672	22,86,535.88	64.5405
7	Neo International Fze	15,68,943.49	64.4672	15,68,943.49	64.5405
8	N Shah & Co BVBA	44,032.60	64.4672	44,032.60	64.5405
9	Pace Gems	2,06,467.00	64.4672	2,06,467.00	64.5405
10	Pacific Star	13,85,961.63	64.4672	13,85,961.63	64.5405
11	Sharp Light Limited	9,02,698.38	64.4672	9,02,698.38	64.5405
12	Stela Enterprise	5,60,221.47	64.4672	5,60,221.47	64.5405
13	Sunny Diamonds	3,37,860.46	64.4672	3,37,860.46	64.5405
14	Uniglobe Trading Co.	43,000.00	64.4672	43,000.00	64.5405
15	Vitraag BVBA	1,60,000.00	64.4672	1,60,000.00	64.5405
16	World Impex	19,36,473.25	64.4672	19,36,473.25	64.5405

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

To our knowledge, there have been no transactions or events which, in our judgment, would be considered unusual or infrequent.

SIGNIFICANT DEVELOPMENTS OCCURRING POST JUNE 20, 2017

A. Company was converted from Private Limited to Public Limited Company

The Company was converted into a Public Limited Company from Private Limited Company w.e.f. July 04, 2017. Consequent to this conversion, the Name of the Company is changed from 'Sagar Diamonds Private Limited' to 'Sagar Diamonds Limited' by deletion of the word "Private" from the Name of the Company

STATEMENT OF FINANCIAL INDEBTEDNESS

Brief details on the financial indebtedness of the "SAGAR DIAMONDS LIMITED" as on June 20, 2017 are as under:

Unsecured Borrowing

Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered	Re-payment	Morat-orium	Outstanding amount
Mr. Vaibhav Dipak Shah*	Unsecured Borrowings	-	-	**NA**	-	-	19,84,000

**Our company has taken loan from Mr. Vaibhav Dipak Shah and in the process of executing MoU.*

SECTION VII: 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 or Promoters. Our Board, in its meeting held on July 5, 2017, determined that outstanding legal proceedings involving the Company, Directors and Promoters: (a) the aggregate amount involved in such individual litigation exceeds 1% of consolidated profit after tax of the Company, as per the last audited financial statements; or (b) where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in such single litigation individually may not exceed 1% of profit after tax – of the Company as per the last consolidated audited financial statements, if similar litigations put together collectively exceed 1% of the consolidated profit after tax of the Company, or (c) litigations whose outcome could have a material impact on the business, operations, prospects or reputation of our Company, will be considered as material litigation ("Material Litigation").

B. (i) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoters during the last five years; (ii) pending proceedings initiated against our Company for economic offences; (iv) default and non-payment of statutory dues by our Company; (v) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies law in the last five years against our Company; or (vi) material frauds committed against our Company in the last five years.

C. (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 July 5, 2017, determined that outstanding dues to creditors in excess of 5% of our Company's consolidated trade payables as per last audited financial statements 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.sagardiamonds.com

Our Company, Directors and Promoters 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
NIL

(ii) Indirect Taxes Liabilities
NIL

4. Other Pending Litigations
NIL

B. CASES FILED BY OUR COMPANY

1. Litigation Involving Criminal matters
NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities
NIL

3. Litigation involving Tax Liabilities
(i) Direct Tax Liabilities

NIL
(ii) Indirect Taxes Liabilities
NIL

4. Other Pending Litigations
NIL

LITIGATION INVOLVING OUR DIRECTORS

A. LITIGATION AGAINST OUR DIRECTORS

1. Criminal matters
NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities
NIL

3. Litigation involving Tax Liabilities
(i) Direct Tax Liabilities
Please refer to Litigation Involving our Promoters on page 192 of this RHP.

(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
Please refer to Litigation Involving our Promoters on page 192 of this RHP.
(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

S. No.	Type of Litigation	Name of Promoter	Amount Involved in Dispute
1.	Income-tax (Assessment Year 2008-09)	Vaibhav Dipak Shah	62,59,770[(1)]
2.	Income-tax (Assessment Year 2009-10)	Vaibhav Dipak Shah	3,39,35,940[(2)]
3.	Income-tax (Assessment Year 2010-11)	Vaibhav Dipak Shah	3,93,11,940[(3)]
4.	Income-tax (Assessment Year 2012-13)	Vaibhav Dipak Shah	74,09,760[(4)]
5.	Income-tax (Assessment Year 2014-15)	Vaibhav Dipak Shah	2,940 [(5)]
6.	Income-tax (Assessment Year 2015-16)	Vaibhav Dipak Shah	24,390 [(6)]
	TOTAL		***8,69,44,740***

(1) Vide Notice of Demand dated August 8, 2016.
(2) Vide Notice of Demand dated December 19, 2016.
(3) Vide Notice of Demand dated August 8, 2016.
(4) Vide Notice of Demand dated March 31, 2015.
(5) Vide Notice of Demand dated November 24, 2016.
(6) Vide Rectification Order March 1, 2016

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

B. LITIGATION FILED BY OUR PROMOTERS

1. Litigation Involving Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

S. No.	Type of Litigation	Name of Promoter	Amount Involved in Dispute
1.	Income-tax (Assessment Year 2011-12)	Vaibhav Dipak Shah	4,72,97,560[(1)]
2.	Income-tax (Assessment Year 2013-14)	Vaibhav Dipak Shah	4,39,19,900[(2)]
	TOTAL		**9,12,17,460**

(1) Vide Notice of Demand dated August 8, 2016.

(2) Vide Notice of Demand dated March 31, 2016.

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development, 2006

The company is in process of identifying its MSME creditors for which the company has sent the letter to its creditors. As on date of filling of this Red Herring Prospectus, no creditor has responded to the same.

Except as disclosed below, there are no Material Creditors of the Company having amount outstanding as on June 20, 2017 more than ₹ 96.92 lakh, being 5% of the Company's trade payables as per last audited financial statements of our Company.

Sr. no.	Name of Creditors	Amount Outstanding As on June 20, 2017
1	Beauty Star Exports LLP	5,79,32,840
2	Caxton Enterprise	5,91,79,000
3	Clarity Impex hk Limited	2,97,48,177
4	Pace Gems Middle East DMCC	4,58,04,305

For further details, please see website at www.sagardiamonds.com

Information provided on the website of our Company is not a part of this Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, would be doing so at its own risk.

Outstanding Litigations involving the Company, or involving any other person or company whose outcome may have a material adverse effect on the Company's results of operations or financial position.

Except as described above, as on date of this Red Herring Prospectus, there are no outstanding litigations involving the Company, or involving any other person or company whose outcome may have a material adverse effect on the Company's results of operations or financial position.

There are no litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoters during the last 5 years.

There are no litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoters during the last 5 years.

Pending proceedings initiated against our Company for economic offences.

There are no pending proceedings initiated against our Company for economic offences.

Inquiries, investigations etc. instituted under the Companies Act, 2013 or any previous companies enactment in the last 5 years against our Company.

There are no inquiries, investigations etc. instituted under the Companies Act or any previous companies enactment in the last 5 years against our Company.

Material Fraud against our Company in the last five years

There has been no material fraud committed against our Company in the last five years.

Fines imposed or compounding of offences for default

There are no fines imposed or compounding of offences for default or outstanding defaults.

Non-Payment of Statutory Dues

Except as disclosed in the chapter titled "Financial Statements" beginning on page 140, there are have been no defaults or outstanding defaults in the payment of statutory dues payable under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees State Insurance Act, 1948**.**

MATERIAL DEVELOPMENTS OCCURING AFTER LAST BALANCE SHEET DATE

Except conversion of the Company to public limited company vide Certificate of Incorporation pursuant to change of name dated July 4, 2017 and as disclosed elsewhere in this Red Herring Prospectus, there have been no material developments that have occurred after the last balance sheet date.

GOVERNMENT AND OTHER 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 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 our 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 our Company and the objects incidental, enable our Company to carry out its activities.

I. COMPANY RELATED APPROVALS

1. Certificate of Incorporation dated July 15 2015 issued by the Assistant Registrar of Companies, Gujarat in the name of "Sagar Diamonds Private Limited".

2. Certificate of Incorporation pursuant to change of name dated July 4, 2017 issued by Registrar of Companies, Gujarat for change of name from "Sagar Diamonds Private Limited" to "Sagar Diamonds Limited".

3. The Corporate Identification Number (CIN) is U36912GJ2015PLC083846

II. APPROVALS FOR THE ISSUE

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a resolution passed at its meeting held on July 05, 2017 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of our Company have, pursuant Section 62(1)(c) of the Companies Act, 2013, by a special resolution passed in the extra ordinary general meeting held on July 08, 2017 authorized the Issue.
3. In-principle approval dated August 30, 2017 from the BSE SME for listing of the Equity Shares issued by our Company pursuant to the Issue.
4. Our Company's International Securities Identification Number ("**ISIN**") is INE146Y01013.

III. BUSINESS RELATED APPROVALS

1. Certificate of Importer-Exporter Code (IEC) bearing number 5216502165 dated February 15, 2017.

2. Letter of Approval dated October 24, 2016 bearing number SSEZ/II/006/2016-17/624 issued by Development Commissioner, Surat Special Economic Zone, Sachin, Surat for the establishment of new unit at Unit No. 101 on Plot No. 193, Surat Special Economic Zone, Sachin, Surat. The Letter of Approval shall be valid for a period of 5 years from the date of commencement of production.

3. Udyog Aadhar Memorandum bearing number GJ22B015246 for its premises situated at Unit No. 101, Plot No. 193, Surat Special Economic Zone, Sachin, Surat – 394230, Gujarat.

4. Certificate of Registration for ISO 9001:2015 dated July 13, 2017 bearing certificate no. QC17MOY7576 for the purpose of trade, manufacture, import and export, exhibition or deal in, undertake process in gold, silver, diamonds, rough diamonds, industrial diamonds, precious and semiprecious stones.

IV. TAX RELATED APPROVALS

S. No.	Type of Registration	Date of Issue	Registration No.
1.	Permanent Account Number (PAN)	July 15, 2015	AAWCS0068B
2.	Tax Deduction Account Number (TAN)	August 25, 2015	SRTS16202E

3.	Goods and Service Tax	July 8, 2017	24AAWCS0068B1ZE

Note: All of the above registrations are valid until cancelled.
The company has not yet received a revised certificate for the same pursuant to change in name.

V. PENDING APPROVALS

1. Trademark

Particulars of Mark	Word/Label/Device Mark	Application No.	Date of Application	Class	Status
	Device	3556456	May 24, 2017	14	Objected*

***** *The Company has received an Examination Report dated July 11, 2017 from the Registrar of Trade Mark, Ahmedabad wherein the aforementioned Application No. 3556456 has been objected.*

2. The Company has made an application on July 15, 2017 for obtaining registration with Export Promotion Council for EOUs and SEZs.

3. The Company has not obtained Registration Certificate under Maharashtra Shops and Establishment Act, 1948 for its Corporate Office situated at 304, Prasad Chambers, Opera House, Mumbai 400 004, and is in the process of making an application for the same.

4. The Company has not obtained Certificate of Membership from Gem and Jewellery Export Promotion Council and is in the process of making an application for the same.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue in terms of this Red Herring Prospectus has been authorized pursuant to the resolution passed by the Board of Directors dated July 05, 2017 and by the shareholders pursuant to the special resolution passed in Extra-ordinary General Meeting dated July 08, 2017 under Section 62(1)(c) of the Companies Act, 2013.

Our Company has obtained in-principle approval from the BSE SME for using its name in the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus pursuant to an approval letter dated August 30, 2017, BSE SME is the Designated Stock Exchange.

Prohibition by SEBI or other governmental authorities

We confirm that our Company, our Company, our Promoters, natural person in control of Promoter, Promoter Group, our Directors or the person(s) in control of our Company have not been prohibited from accessing the capital market for any reason or restrained from buying, selling or dealing in securities, under any order or directions by the SEBI or any other regulatory or government authorities.

There are no violations of securities laws committed by any of them in the past or pending against them, nor have any companies with which any of our Company, our Promoter, Directors, persons in control of our Company or any natural person behind the Promoter are or were associated as a promoter, director or person in control, been debarred or prohibited from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

None of our Directors are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our Directors are associated as promoters or directors.

Prohibition of Wilful Defaulter

Neither our Company, nor our Promoters, our Directors, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a will full defaulter by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided under section titled "Outstanding Litigations and Material Developments" beginning on page 190 of this Red Herring Prospectus.

Eligibility for the Issue

- Our Company is not ineligible in terms of Regulations 4(2) of SEBI ICDR Regulations for this Issue.
- Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations; and this Issue is an "Initial Public Issue" in terms of the SEBI (ICDR) Regulations.
- Our Company is eligible for the Issue in accordance with Regulation 106(M) (1) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital will be less than Rs. 10 crore, and we may hence, issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the "SME Platform of BSE Ltd")

We confirm that:

- In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this issue is 100% underwritten and that the Book Running Lead Manager to the Issue shall underwrite minimum 15% of the Total Issue Size.

- In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act, 2013.

- In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed this Issue document with SEBI nor has SEBI issued any observations on our Red Herring Prospectus. Also, we shall ensure that our Book Running Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Red Herring Prospectus with Stock Exchange and the Registrar of Companies.

- In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we hereby confirm that we have entered into an agreement with the Book Running Lead Manager and a Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the SME Platform of BSE Ltd.

- We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

- As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and sub-regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

1. As on June 20, 2017 the Company has Net Tangible Assets* of ₹ 21.58 Crore which satisfies the criteria of having Net Tangible Assets of at least ₹ 3.00 Crore.

   *Net tangible assets are defined as the sum of all net assets of the Company, excluding intangible assets and Net Deferred Tax as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India

2. The Net worth (excluding revaluation reserves) of the Company is at least Rs. 3 Crore as per the latest audited financial results.

   As on June 20, 2017, the Company has Net Worth attributable to equity shareholders of Rs. 21.58 Crore as per the restated financial results

   *Net worth includes Equity Share Capital and Reserves (excluding revaluation reserves, Miscellaneous Expenditure not written off, if any & Debit Balance of Profit and Loss Account not written off, if any)

3. Track record of distributable profits in terms of section 123 of Companies Act, 2013 for at least two years out of immediately preceding three financial years and each financial year has to be a period of at least 12 months. Extraordinary income will not be considered for the purpose of calculating distributable profits. Otherwise, the Net Worth shall be at least Rs 3 Crores.

   The Company's distributable profits in terms of sec. 123 of Companies Act, 2013 (as restated) in last three financial years are detailed below:

(Amt. in ₹.)

Particulars	Period Ended June 20, 2017	For F.Y. 2016-17	For F.Y. 2015-16
Net Profit (as restated)	30,02,679.13	34,71,972.75	(21,750.00)

4. Our Company shall mandatorily facilitate trading in demat securities and will enter into an agreement with both the depositories. The Company has entered into an agreement for registration with the Central Depositary Services Limited (CDSL) dated August 09, 2017 and National Securities Depository Limited dated August 17, 2017 and for establishing connectivity.

5. Our Company has a website i.e. www.sagardiamonds.com

6. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).

7. There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.

8. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the applicant company.

9. There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to BSE for listing on SME segment.

10. We confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the SME Platform of the BSE Ltd

Compliance with Part A of Schedule VIII of the SEBI (ICDR) Regulations

Our Company is in compliance with the provisions specified in Part A of the SEBI (ICDR) Regulations. No exemption from eligibility norms has been sought under Regulation 109 of the SEBI (ICDR) Regulations, with respect to the Issue. Further, our Company has not been formed by the conversion of a partnership firm into a company.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF ISSUE DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE ISSUE DOCUMENT. THE BOOK RUNNING LEAD MANAGER, GRETEX CORPORATE SERVICES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE ISSUE DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE ISSUE DOCUMENT, THE BOOK RUNNING LEAD MANAGER, GRETEX CORPORATE SERVICES PRIVATE LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JULY 17, 2017 WHICH READS AS FOLLOWS:

WE, THE UNDER NOTED BOOK RUNNING LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AND CONFIRM AS FOLLOWS:

WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE

FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE

ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:

THE DRAFT RED HERRING PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.

WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS-NOTED FOR COMPLIANCE

WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.

WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS: COMPLIED WITH

WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO

ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE

WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.

WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGE MENTIONED IN THE DRAFT RED HERRING PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE

WE CERTIFY ALL THE SHARES SHALL BE ISSUED IN DEMATERIALIZED FORM IN COMPLIANCE WITH THE PROVISIONS OF SECTION 29 OF THE COMPANIES ACT, 2013 AND THE DEPOSITORIES ACT, 1996 AND THE REGULATIONS MADE THEREUNDER.

WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.

WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:

AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND

AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.

WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.

WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.

WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER BELOW (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR NO. CIR/CFD/DIL/7/2015 DATED OCTOBER 30, 2015.

WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS-TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WI TH ACCOUNTING STANDARD-18 IN THE FINANCIAL INFORMATION OF THE COMPANY INCLUDED IN THE DRAFT RED HERRING PROSPECTUS.

ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH ISSUE DOCUMENT REGARDING SME EXCHANGE

WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.

WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN DRAFT RED HERRING PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES ISSUED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.

WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 - NOTED FOR COMPLIANCE.

WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER – NOTED FOR COMPLIANCE.

WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE DRAFT RED HERRING PROSPECTUS. - NOT APPLICABLE

WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPI TAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS

TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.

WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.

Note:

The filing of this Red Herring Prospectus does not, however, absolve our company from any liabilities under section 34, section 35, Section 36 and Section 38 (1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and / or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the BRLM any irregularities or lapses in the Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Maharashtra, Mumbai in terms of sections 26, 32 and 33 of the Companies Act, 2013.

Statement on Price Information of Past Issues handled by Gretex Corporate Services Private Limited:

Sr. No.	Issuer Name	Issue Size (Cr)	Issue Price (Rs)	Listing Date	Opening Price on Listing Date	+/-% change in closing price, [+/- % change in Closing benchmark] 30th calendar days from listing	+/- % change In closing price, [+/ change in closing benchmark] 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Veeram Ornaments Limited	5.12	45	05/01/ 2017	42.75	0.87,[5.19][1]	-2.17,[11.52][2]	-1.96,[16.56][3]
2.	Jash Dealmark Limited	540.00	40	27/03/ 2017	39.80	-9.59,[2.76][4]	2.50,[6.68][5]	N.A
3.	Yug Décor Limited	2.88	26	31/05/ 2017	27.00	3.07,[-1.37][6]	20.69,[0.81][7]	N.A
4	Riddhi Corporate Services Ltd	12.35	130	22/06/ 2017	130.00	0.07,[1.77][8]	N.A	N.A

1. 30th calendar date is February 04, 2017 but the last trading day is February 03, 2017 for calculation of both benchmark and share price and changes.
2. 90th calendar date is April 05, 2017 but the last trading day for share is March 24, 2017 for calculation of share price.
3. 180th calendar date is July 04, 2017 but the last trading day for share is June 30, 2017 for calculation of share price.
4. 30th calendar date is April 26, 2017 but the last trading day for share is April 25, 2017 for calculation of share price.
5. 90th calendar date is June 25, 2017 but the last trading day for share is June 22, 2017 for calculation of share price and for calculating change in the benchmark June 23, 2017 instead of June 25, 2017 .
6. 30th calendar date is June 30, 2017 but the last trading day is June 29, 2017 for calculation of both benchmark and share price and changes.

7. 90th calendar date is August 29, 2017 but the last trading day is August 24, 2017 for calculation of both benchmark and share price and changes.
8. 30th calendar date is July 22, 2017 but the last trading day is July 21, 2017 for calculation of both benchmark and share price and changes.

Summary statement of Disclosure:

Financial Year	*Total no. of IPOs*	*Total Funds Raised (₹in Cr.)*	*Nos. of IPOs trading at discount - 30th calendar day from listing day*			*Nos. of IPOs trading at premium - 30th calendar day from listing day*			*Nos. of IPOs trading at discount - 180th calendar day from listing day*			*Nos. of IPOs trading at premium - 180th 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 %*
2016-17 @	2	10.52	N.A	N.A	2	N.A	N.A	1	N.A	N.A	N.A	N.A	N.A	N.A
2017-18$	2	15.23	N.A	N.A	NA	N.A	N.A	1	N.A	N.A	N.A	N.A	N.A	N.A

***$** Upto 05th September, 2017*

Track Record of past issues handled by Gretex Corporate Services Private Limited

For details regarding track record of BRLM to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the BRLM at: www.gretexcorporate.com

Disclaimer from our Company and the Book Running Lead Manager

Our Company and the BRLM accept no responsibility for statements made otherwise than those contained in this Red Herring Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The BRLM accepts no responsibility, save to the limited extent as provided in the Issue Agreement entered between the BRLM (Gretex Corporate Services Private Limited) and our Company on July 12, 2017 and the Underwriting Agreement dated July 31, 2017 entered into between the Underwriters and our Company and the Market Making Agreement dated July 31, 2017 and Addendum to the Market Agreement dated September 04, 2017 entered into among the Market Maker 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 collection centres or elsewhere.

The BRLM and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates, for which they have received and may in future receive compensation.

Caution

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not Issue, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Issue.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹ 2,500.00 Lakh and pension funds with a minimum corpus of ₹ 2,500.00 Lakh, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Red Herring Prospectus does not, however, constitute an Issue to sell or an invitation to subscribe for Equity Shares Issued hereby in any jurisdiction other than India to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Surat, Gujarat, India only.

No action has been, or will be, taken to permit a public Issuing in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be Issued or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer Clause of the SME Platform of BSE

"BSE Limited ("**BSE**") has given vide its letter Ref.: DSA/SME-IPO/RB/IP/390/2017-18 dated August 30, 2017, permission to this Company to use it's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed on the SME Platform. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. BSE does not in any manner: -

i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or

ii. warrant that this Company's securities will be listed or will continue to be listed on BSE; or

iii. take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever."

Disclaimer Clause under Rule 144A of the U.S. Securities Act

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be Issued or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be Issued and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those Issues and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be Issued or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

Filing

The Red Herring Prospectus is being filed with BSE Limited.

A copy of this Red Herring Prospectus shall not be filed with the SEBI, nor will SEBI issue any observation on the Prospectus in term of Regulation 106(M) (3) of the SEBI (ICDR) Regulations. However, a copy of the Prospectus shall be filed with SEBI at the Securities and Exchange Board of India, Corporation Finance Department, SEBI Bhavan, Plot No. C4-A, G Block, 3rd Floor, Bandra Kurla Complex, Bandra (E), Mumbai-400 051, India for their record purpose only.

A copy of the Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies, Ahmedabad, ROC Bhavan, Opp: Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013

Listing

The Equity Shares of our Company are proposed to be listed on BSE SME. Our Company has obtained in-principle approval from BSE by way of its letter dated August 30, 2017 for listing of equity shares on BSE SME.

BSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted

by BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Red Herring Prospectus. If such money is not repaid within eight (8) 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) days, be liable to repay such application money, with interest at the rate as prescribed under the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within Six (6) Working Days of the Issue Closing Date.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who-

Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, Shall be liable to action under section 447 of the Companies, Act 2013

Consents

Consents in writing of (a) Our Directors, Our Promoters, Our Company Secretary & Compliance Officer, Chief Financial Officer, Syndicate Members, Our Statutory Auditor, Key Managerial Personnel, Our Peer Review Auditor, Our Banker(s) to the Company; (b) Book Running Lead Manager, Registrar to the Issue, Banker (s) to the Issue, Legal Advisor to the Issue, Underwriter(s) to the Issue and Market Maker to the Issue to act in their respective capacities shall be obtained as required as required under section 26 of the Companies Act, 2013 and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, VP Agarwal & co., Statutory Auditors of the Company has agreed to provide their written consent to the inclusion of their respective reports on "Statement of Tax Benefits" relating to the possible tax benefits and restated financial statements as included in this Red Herring Prospectus/Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of this Red Herring Prospectus.

Experts Opinion

Except for the reports in the section "***Financial information of the Company***" and "***Statement of Tax Benefits***" on page 140 and page 82 of this Red Herring Prospectus from the Peer Review Auditors and Statutory Auditor respectively, our Company has not obtained any expert opinions. However, the term "expert" shall not be construed to mean an "expert"" as defined under the U.S. Securities Act 1933.

Expenses of the Issue

The Estimated Issue expenses are as under:-

Activity	Expenses (Rs in Lakh)	% of Total Estimated Issue Expenditure	% of Issue Size
Payment to BRLM including, Underwriting and Selling commissions, Brokerages, payment to other intermediaries such as Legal Advisors, Registrars, Bankers etc and other Out of Pocket Expenses	[●]	[●]	[●]
Printing and Stationery and Postage Expenses Advertising and Marketing Expenses Regulatory Fee and Expenses	[●]	[●]	[●]
Total	[●]	[●]	[●]

Fees, Brokerage and Selling Commission payable to the BRLM

The total fees payable to the BRLM will be as per the (i) Issue Agreement dated, July 12, 2017 with the BRLM, Gretex Corporate Services Private Limited, (ii) the Underwriting Agreement dated July 31, 2017 with Underwriter Gretex Corporate Services Private Limited and (iii) the Market Making Agreement dated **July 31, 2017 and Addendum to the Market Making Agreement dated September 04, 2017** with Market Makers, a copy of which is available for inspection at our Registered Office from 10.00 am to 5.00 pm on all Working Days from the date of the Red Herring Prospectus until the Issue Closing Date.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of refund orders, preparation of refund data on magnetic tape and printing of bulk mailing register will be as per the agreement between our Company and the Registrar to the Issue dated July 08, 2017 a copy of which is available for inspection at our Company's Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to make refunds in any of the modes described in this Red Herring Prospectus or send allotment advice by registered post/speed post.

Particulars regarding Public or Rights Issues during the last five (5) years

Our Company has not made any previous public or rights issue in India or Abroad the five (5) years preceding the date of this Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

For detailed description please refer to section titled "Capital Structure" beginning on page 51 of this Red Herring Prospectus.

Underwriting Commission, brokerage and selling commission on Previous Issues

Since this is the initial public Issuing of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

Particulars in regard to our Company and other listed group-companies / subsidiaries/ associates under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 / Section 186 of the Companies Act, 2013 which made any capital issue during the last three years:

Neither our Company nor any other companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 has made/Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three years.

Performance vis-a-vis objects – Public/right issue of our Company and /or listed Group Companies/ subsidiaries and associates of our Company

Except as stated under section titled "Capital Structure" beginning on page 51 of this Red Herring Prospectus our Company has not undertaken any previous public or rights issue. None of the Group Companies/ Entities or associates of our Company are listed on any stock exchange.

Performance vis-a-vis objects - Last Issue of Group/Associate Companies

All of our Group / Associate are unlisted and have not made a public issue of shares in the last ten (10) years preceding the date of this Red Herring Prospectus.

Outstanding Debentures or Bond Issues or Redeemable Preference Shares

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this Red Herring Prospectus.

Outstanding Convertible Instruments

Our Company does not have any outstanding convertible instruments as on the date of filing this Red Herring Prospectus.

Option to Subscribe

Equity Shares being issued through the Red Herring Prospectus can be applied for in dematerialized form only.

Stock Market Data of the Equity Shares

This being a public Issue of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

Mechanism for Redressal of Investor Grievances

The Agreement amongst the Registrar to the Issue, our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) year from the last date of dispatch of the letters of allotment, or demat credit or where refunds are being made electronically, giving of unblocking instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.
All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the relevant Designated Branch or the collection centre of the SCSBs where the Application Form was submitted by the ASBA Applicants.

The Applicant should give full details such as name of the sole/ first Applicant, Application Form number, Applicant DP ID, Client ID, PAN, date of the Application Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Mr. Kaushik H. Vegad, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

Mr. Kaushik H Vegad
Sagar Diamonds Limited
Unit No. 101, Plot No. 193,
SEZ Diamond Park, Sachin,
Surat - 394230, Gujarat, India
Tel. No: +91 261 2397866
E-mail: cs@sagardiamonds.com
Website: www.sagardiamonds.com

Investors 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 allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web based complaints redress system "SCORES". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in

Status of Investor Complaints

We confirm that we have not received any investor compliant during the three years preceding the date of this Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Red Herring Prospectus.

Disposal of investor grievances by listed companies under the same management as our Company

We do not have any listed company under the same management.

Change in Auditors during the last three (3) years

Our Company had appointed R.A. Jhaveri & Co. as Auditors of our Company at the time of incorporation of our Company. Thereafter on 31.12.2016, our Company appointed V.P Agarwal & Co., Chartered Accountants as Statutory Auditors there have been no changes in our Company's auditors in the last three (3) years.

Capitalization of Reserves or Profits

Except as disclosed under section titled "Capital Structure" beginning on page 51 of this Red Herring Prospectus, our Company has not capitalized its reserves or profits at any time during the last five (5) years.

Revaluation of Assets

Our Company has not revalued its assets in five (5) years preceding the date of this Red Herring Prospectus.

Tax Implications

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled "Statement of Tax Benefits" beginning on page 82 of this Red Herring Prospectus.

Purchase of Property

Other than as disclosed under section titled "Our Business" beginning on page 93 of this Red Herring Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of the Red Herring Prospectus, other than property, in respect of which:-

The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or the amount of the purchase money is not material.

Except as stated elsewhere in the Red Herring Prospectus, our Company has not purchased any property in which the Promoter and/or Directors have any direct or indirect interest in any payment made there under.

Servicing Behavior

Except as stated in this Red Herring Prospectus, there has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

Payment or benefit to officers of Our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed under sections titled "Our Management" and "Related Party Transactions" beginning on pages 117 and 138 respectively of this Red Herring Prospectus none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being Issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of this Red Herring Prospectus, the Prospectus, the abridged prospectus, Application Form, CAN, the Revision Form, Allotment advices, and other terms and conditions as may be incorporated in the documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, 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 GoI, the Stock Exchanges, the RoC, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Please note that in terms of SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the investors applying in this issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment i.e. just writing their bank account numbers and authorising the banks to make payment in case of allotment by signing the application forms,

AUTHORITY FOR THE PRESENT ISSUE

This Issue has been authorized by a resolution of the Board passed at their meeting held on July 05,2017 subject to the approval of shareholders through a special resolution to be passed pursuant to section 62 (1) (c) of the Companies Act, 2013. The shareholders have authorized the Issue by a special resolution in accordance with Section 62 (1) (c) of the Companies Act, 2013 passed at the EGM of the Company held on July 08, 2017.

RANKING OF EQUITY SHARES

The Equity Shares being Issue shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares of our Company including rights in respect of dividend. The allottees, upon Allotment of Equity Shares under this Issue, will be entitled to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to section titled "*Main Provisions of Articles of Association*" beginning on page 267 of this Red Herring Prospectus.

MODE OF PAYMENT OF DIVIDEND

Our Company shall pay dividend to the shareholders of our Company in accordance with the provisions of the Companies Act, 2013, as may be applicable, the Articles of Association of our Company, the provisions of the SEBI Listing Regulations and any other rules, regulations or guidelines as may be issued by the Government of India in connection thereto and as per the recommendation by our Board of Directors and approved by our Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act, For further details in relation to dividends, please refer to sections titled "*Dividend Policy*" and *"Main Provisions of the Articles of Association*" beginning on 128 and 263 respectively of this Red Herring Prospectus.

FACE VALUE AND ISSUE PRICE

The Issue Price is determined by our Company in consultation with the Book Running Lead Manager and is justified under the section titled "*Basis for Issue Price*" beginning on page 79 of this Red Herring Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

COMPLIANCE WITH SEBI (ICDR) REGULATIONS

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations as amended time to time. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association of our Company, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive Issue for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory and other preferential claims being satisfied;
- Right of free transferability of the Equity Shares, subject to applicable law, including any RBI Rules and Regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the previous Companies Act, 1956 and Companies Act, 2013, as may be applicable, terms of the SEBI Listing Regulations and the Memorandum and Articles of Association of our Company.

For further details on the main provision of our Company's Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/ or consolidation / splitting, etc., please refer to section titled "*Main Provisions of Articles of Association*" beginning on page 267 of this Red Herring Prospectus.

MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT

In terms of section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the existing SEBI (ICDR) Regulations, the trading of the Equity Shares shall only be in dematerialised form for all investors. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issuer:

1. Tripartite agreement dated August 17, 2017 between our Company, NSDL and the Registrar to the Issue.
2. Tripartite agreement dated August 09, 2017 between our Company, CDSL and the Registrar to the Issue

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the SME Platform of BSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Red Herring Prospectus will be done in multiples of [●] Equity Shares subject to a minimum allotment of [●] Equity Shares to the successful Bidders in terms of the SEBI Circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

JOINT HOLDERS

Where two (2) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

NOMINATION FACILITY TO INVESTOR

In accordance with Section 72 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 Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a

sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of this section 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 (90) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Period of Operation of Subscription List of Public Issue

ISSUE PROGRAMME

ISSUE OPENS ON:	September 14, 2017
ISSUE CLOSES ON:	September 18, 2017

MINIMUM SUBSCRIPTION

In accordance with Regulation [106P] (1) of SEBI (ICDR) Regulations, this Issue is 100% underwritten. Also, in accordance with explanation to Regulation [106P](1) of SEBI (ICDR) Regulations, the underwriting shall not be restricted to any minimum subscription level. This Issue is 100% underwritten and the details of the same have been disclosed under section titled "*General Information*" beginning on page 41 of this Red Herring Prospectus.

As per section 39 of the new Companies Act, if the "stated minimum amount" has not been subscribed and the sum payable on application is not received within a period of thirty (30) days from the date of issue of Prospectus, the application money has to be returned within such period as may be prescribed.

If our Company does not receive the subscription of 100% of the Issue through this Issue Document including devolvement of Underwriters within sixty (60) days from the date of closure of the issue, our Company shall forthwith unblocked the entire subscription amount received. If there is a delay beyond eight (8) days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under section 73 of the Companies Act, 2013 and applicable law.

Further, in accordance with Regulation 106R of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be fifty (50). In case the minimum number of prospective allottees is less than fifty (50), no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

Further, in accordance with Regulation [106Q] of the SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be Issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

ARRANGEMENTS FOR DISPOSAL OF ODD LOTS

The 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. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE.

APPLICATION BY ELIGIBLE NRIS, FPIS/FIIS REGISTERED WITH SEBI, VCFS REGISTERED WITH SEBI

It is to be understood that there is no reservation for Eligible NRIs or FPIs/FIIs registered with SEBI or VCFs. Such Eligible NRIs, FPIs/FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

AS PER THE EXTANT POLICY OF THE GOVERNMENT OF INDIA, OCBS CANNOT PARTICIPATE IN THIS ISSUE.

NRIs, FPIs/FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public Issue without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment ("***FDI***") Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

RESTRICTIONS ON TRANSFER AND TRANSMISSION OF SHARES OR DEBENTURES AND ON THEIR CONSOLIDATION OR SPLITTING

Except for lock-in of the Pre- Issue Equity Shares and Promoter minimum contribution in the Issue as detailed in the section titled "Capital Structure" beginning on 51 of this Red Herring Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfer and transmission and on their consolidation / splitting of Equity Shares. For further details, please refer to the section titled "*Main Provisions of Articles of Association*" beginning on page 267 of this Red Herring Prospectus.

The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. Our Company and the LM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the LM are not liable to inform to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

OPTION TO RECEIVE EQUITY SHARES IN DEMATERIALIZED FORM

As per Section 29 of the Companies Act, 2013 and in accordance with SEBI (ICDR) Regulations, every company making public Issue shall issue securities only in dematerialized form only. Hence, the Equity Shares being Issued can be applied for in the dematerialized form only. The investors have an option either to receive the security certificate or to hold the securities with depository. However, as per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public Issue shall be in dematerialized form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Exchange. Bidders will not have an option of Allotment of the Equity Shares in physical form. Allottees shall have the option to re-

materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act.

MIGRATION TO MAIN BOARD

In accordance with the BSE Circular dated November 26, 2012, our Company will have to be mandatorily listed and traded on the SME Platform of the BSE 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 BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations. Our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

- If the Paid up Capital of our Company is likely to increase above ₹ 25 Crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which our Company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board

OR

- If the Paid up Capital of the company is more than ₹ 10 crore but below ₹ 25 crore, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

MARKET MAKING

The Equity Shares offered through this Issue are proposed to be listed on the SME Platform of BSE (SME Exchange), wherein Gretex Share Broking Private Limited and NNM Securities Private Limited is the Market Maker to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of three (3) years from the date of listing on the SME Platform of BSE. For further details of the agreement entered into between our Company, the Book Running Lead Manager and the Market Maker please refer to section titled "*General Information* - Details of the Market Making Arrangements for this Issue" beginning on page 41 of this Red Herring Prospectus.

In accordance with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012; it has been decided to make applicable limits on the upper side for the Market Makers during market making process taking into consideration the Issue size in the following manner:

Issue size	Buy quote exemption threshold (including mandatory initial inventory of 5% of issue size)	Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of issue size)
Upto ₹ 20 Crore, as applicable in our case	25%	24%

Further, the Market Maker shall give two (2) way quotes till it reaches the upper limit threshold; thereafter it has the option to give only sell quotes. Two (2) way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification.

NEW FINANCIAL INSTRUMENTS

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium

notes, etc. issued by our Company through this issue.

JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Surat, India.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be Issued or sold within the United States to, or for the account or benefit of "U.S. persons" (as defined in Regulation S), except pursuant to an exemption from or in a transaction not subject to, registration requirements of the U.S. Securities Act and applicable U.S. state Securities laws. Accordingly, the Equity Shares are only being Issued or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those Issues and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be Issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106M (2) of Chapter XB of the SEBI (ICDR) Regulations, whereby, an issuer whose post issue face value capital does not exceed ten 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 SME Platform of BSE). For further details regarding the salient features and terms of such this Issue, please refer to sections titled "*Terms of the Issue*" and "*Issue Procedure*" beginning on pages 212 and 221 respectively of this Red Herring Prospectus.

The present Issue of 33,81,000 Equity Shares at a price of [●] aggregating to [●] Lakh by our Company. The Issue of Equity Shares will constitute 27.04 % of the fully diluted post-issue equity share capital of our Company.

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares	32,10,000 Equity Shares	1,71,000 Equity Shares
Percentage of Issue Size available for allocation	94.97 % of the Issue Size	5.06 % of the Issue Size
Basis of Allotment/ Allocation if respective category is oversubscribed	Proportionate subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares each. For further details please refer to "*Basis of Allotment*" under section titled "*Issue Procedure*" beginning on 221 of this Red Herring Prospectus.	Firm Allotment
Mode of Application	Through ASBA Process Only	Through ASBA Process Only
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Minimum Application Size	**For Other than Retail Individual Investors**: Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Value exceeds ₹2,00,000. **For Retail Individuals**: 16,05,000 Equity Shares at Issue price of **[●]** per Equity Share	[●] Equity Shares of Face Value ₹10.00
Maximum Application Size	**For Other than Retail Individual Investors**: The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations applicable. **For Retail Individuals Investors**: Such number of Equity Shares in	[●] Equity Shares of Face Value ₹10.00

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
	multiples of [●] Equity Shares such that the application value does not exceed ₹ 2, 00,000.	
Trading Lot	[●] Equity Shares	[●]Equity Shares. However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
Terms of Payment	100%	100%

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations. For further details please refer to section titled "*Issue Structure*" beginning on page 218 of this Red Herring Prospectus.

*As per Regulation 43(4) of the SEBI (ICDR) Regulations, as present issue is a book building issue 'the allocation' is the net Issue to the public category shall be made as follows:

a) Minimum fifty percent to Retail Individual Investors; and

b) Remaining to Investors Other than Retail Individual Investors

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

"If the retail individual investor category is entitled to more than fifty per cent (50%) on proportionate basis, the retail individual investors shall be allocated that higher percentage"

WITHDRAWAL OF THE ISSUE

Our Company, in consultation with the **Book Running Lead Manager**, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

a. The final listing and trading approvals of BSE for listing of Equity Shares Issued through this Issue on its SME Platform, which the Company shall apply for after Allotment; and
b. The final RoC approval of this Prospectus after it is filed with the RoC.
c. In case, our Company wishes to withdraw the Issue after Issue Opening but before allotment, our Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two (2) widely circulated national newspapers (one each in English and Hindi) and one (2) in regional newspaper.

The Book Running Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public Issuing of Equity Shares, our Company will file a fresh Issue document with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares Issued through this Red Herring Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

ISSUE PROGRAMME

ISSUE OPENING DATE	September 14, 2017
ISSUE CLOSING DATE	September 18, 2017

Applications and any revisions to the same will be accepted only between 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form, .On the Issue Closing Date when applications will be accepted only between 10:00 a.m. to 4:00 p.m. (Indian Standard Time).

Due to limitation of time available for uploading the application on the Issue Closing Date, Bidders are advised to submit their applications one day prior to the Issue Closing Date and, in any case, not later than 1:00 p.m. IST on the Issue Closing Date. Any time mentioned in this Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of applications are received on the Issue Closing Date, as is typically experienced in public Issuing, some applications may not get uploaded due to lack of sufficient time. Such applications that cannot be uploaded will not be considered for allocation under this Issue.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday)

ISSUE PROCEDURE

All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI ("General Information Document") ***included below under section "-PART B – General Information Document"****, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act 2013 (to the extent notified), the Companies Act, 1956 (to the extent not repealed by the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations as amended. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations 2015 and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the Book Running Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.*

Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)(Fifth Amendment)Regulations, 2015, there have been certain changes in the issue procedure for initial public Issueings including making ASBA Process mandatory for all investors, allowing registrar, share transfer agents, collecting depository participants and stock brokers to accept application forms. Further, SEBI, by its circular No. (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, reduced the time taken for listing after the closure of an issue to six working days. These changes are applicable for all public issues which open on or after January 1, 2016.

Please note that the information stated/ covered in this section may not be complete and/or accurate and as such would be subject to modification/change. *Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Bidders are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.*

This section applies to all the Bidders, please note that all the Bidders are required to make payment of the full Application Amount along with the Application Form.

Our Company and the BRLM are not liable for any amendments, modifications or change in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus.

PART A

Book Building Issue Procedure

This Issue is being made in compliance with the provisions of Reg. 106(M)(1) of Chapter XB of the SEBI ICDR Regulations and through the Book Building Process wherein 50% of the net issue to Public shall be available for allocation to Retail Individual Bidders and the balance shall be available for allocation to QIBs and Non-Institutional Bidders. Further 5% of the Issue shall be reserved for allocation to the Market Maker.

Under-subscription, if any, in any category, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.

Subject to valid Bids being received at or above the issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for retail portion where allotment to each retail bidder shall not be less than the minimum bid lot subject to availability of Equity shares in Retail portion, and the remaining available Equity shares, if any, shall be allotted on a proportionate basis.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Bid cum Application Form

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the BSE (www.bseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs 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 Bid cum Application Form and the Bid cum Application Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid Cum Application Form for various categories is as follows:

Category	Colour
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	White
Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis(ASBA)	Blue

Pursuant to SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 Dated November 10, 2015, an Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following Intermediaries (Collectively called ***"Designated Intermediaries")***:

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ("broker")
4.	A depository participant ("DP") (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an issue and share transfer agent ("RTA") (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as proof of having accepted the application form, in physical or electronic mode, respectively.

Designated Intermediaries shall submit Bid cum Application Forms to SCSBs only.

The upload of the details in the electronic bidding system of stock exchange will be done by:

For Applications submitted by investors to SCSB:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs:	After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

Bidders shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA Bidders.

Availability of Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus and Application Forms

The bid cum Application Forms and copies of the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus may be obtained from the Registered Office of our Company, Book Running Lead Manager to the Issue, Registrar to the Issue, as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE i.e. www.bseindia.com.

Who can Bid?

In addition to the category of Bidders as set forth under ***—Part B -General Information Document for Investing in Public Issues-Category of Investors Eligible to participate in an Issue"*** on page 238 of this Red Herring Prospectus, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporate or foreign individuals only under the Non-Institutional Investors category;
- Scientific and / or industrial research organizations authorized in India to invest in the Equity Shares.
- Any other persons eligible to apply in this Issue under the laws, rules, regulations, guidelines and policies applicable to them.

MAXIMUM AND MINIMUM APPLICATION SIZE

1. **For Retail Individual Bidders**

   The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed Rs. 2,00,000.

2. **For Other than Retail Individual Bidders (Non-Institutional Bidders and QIBs):**

   The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds Rs. 2,00,000 and in multiples of [●] Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.
   In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.

The above information is given for the benefit of the Bidders. The Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

PARTICIPATION BY ASSOCIATES /AFFILIATES OF BRLM AND THE SYNDICATE MEMBERS

The BRLM and Syndicate Members, if any shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting and market making obligations. However, associates/affiliates of the BRLM and Syndicate Members, if any may subscribe for Equity Shares in the Issue, either in the QIB Category or in the Non- Institutional Category as may be applicable to the Bidder, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Option to Subscribe in the Issue

a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form. However, they may get the specified securities re-materialized subsequent to allotment.
b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

Information for the Bidders

- Our Company shall file the Red Herring Prospectus with the RoC at least three days before the Bid / Issue Opening Date.
- Our Company shall, after registering the Red Herring Prospectus with the RoC, make a pre-Issue advertisement, in the form prescribed under the ICDR Regulations, in English and Hindi national newspapers and one regional newspaper with wide circulation. In the pre-Issue advertisement, our Company and the Book Running Lead Manager shall advertise the Issue Opening Date, the Issue Closing Date. This advertisement, subject to the provisions of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the ICDR Regulations.
- Our Company shall announce the Price Band at least five Working Days before the Issue Opening Date in English and Hindi national newspapers and one regional newspaper with wide circulation.
- This announcement shall contain relevant financial ratios computed for both upper and lower end of the Price Band. Further, this announcement shall be disclosed on the websites of the Stock Exchanges where the Equity Shares are proposed to be listed and shall also be pre-filled in the application forms available on the websites of the stock exchanges.
- The Issue Period shall be for a minimum of three Working Days. In case the Price Band is revised, the Issue Period shall be extended, by an additional three Working Days, subject to the total Issue Period not exceeding ten Working Days. The revised Price Band and Issue Period will be widely disseminated by notification to the SCSBs and Stock Exchanges, and by publishing in English and Hindi national newspapers and one regional newspaper with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager and at the terminals of the members of the Syndicate.
- The Book Running Lead Manager shall dispatch the Red Herring Prospectus and other Issue material including Bid cum Application Form, to the Designated Stock Exchange, members of the Syndicate, Bankers to the Issue, investors' associations and SCSBs in advance.
- Copies of the Bid cum Application Form will be available for all categories of Bidders, with the Designated Branches, members of the Syndicate (at the Syndicate ASBA Bidding Centers) and at our Registered Office. Electronic Bid cum Application Form will be available on the websites of the

SCSBs and on the websites of the Stock Exchanges at least one Working Day prior to the Issue Opening Date. Copies of the Bid cum Application Form will be available for the Retail Individual Bidders with the members of the Syndicate and at our Registered Office.

The 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 bidding system of the Stock Exchanges by the Syndicate Member does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Bid cum Application Form is liable to be rejected.

Application by Indian Public including eligible NRIs applying on Non-Repatriation Basis

Bid cum Application must be made only in the names of individuals, Limited Companies or Statutory Corporations /institutions and not in the names of Minors, Foreign Nationals, Non Residents Indian (except for those applying on non-repatriation), trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a company), Hindu Undivided Families, Partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares Issued to the public. Eligible NRIs applying on a non-repatriation basis should authorize their SCSB to block their NRE/FCNR accounts as well as NRO accounts.

Applications by eligible NRIs/ FPI's on Repatriation Basis

Bid cum Application Forms have been made available for eligible NRIs at our registered office and at the office of the Book Running Lead Manager to the Issue.

Eligible NRIs Bidders may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the category. The Eligible NRIs who intend to get the amount blocked in the Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and shall not use the forms meant for this category.

Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30(thirty) days from the date of issue of shares of allotment to NRIs on repatriation basis.

Allotment of Equity shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity shares will be allowed to be repatriated along with the income thereon subject to the permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

As Per The Current Regulations, The Following Restrictions Are Applicable For Investments By FPIs.

1) A foreign portfolio investor shall invest only in the following securities, namely- (a) Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India; (b) Units of schemes floated by a domestic mutual funds, whether listed on a recognized stock exchange or not; (c) Units of Schemes floated by a collective investment scheme; (d) Derivatives traded on a recognized Stock Exchange; (e) Treasury bills and dated government securities; (f) Commercial papers issued by an Indian Company; (g) Rupee denominated credit enhanced bonds; (h) Security receipts issued by asset reconstruction companies; (i) Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time; (j) Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where "infrastructure" is defined in terms of the extant External Commercial Borrowings (ECB) guidelines; (k) Non-Convertible debentures or bonds issued by Non – Banking Financial Companies categorized as "Infrastructure Finance Companies" (IFC) by the Reserve Bank of India; (i) Rupee denominated bonds or units issued by infrastructure debt funds; (m) Indian depository receipts; and (n) Such other instruments specified by the Board from time to time.

2) Where a foreign institutional investor or a sub account, prior to commencement of SEBI (Foreign Portfolio Investors) Regulations, 2014, hold equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to hold such shares after Initial Public Issue and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment from the time being in force.

3) In respect of investments in the secondary market, the following additional conditions shall apply:
   a) A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;
   b) Nothing contained in clause (a) shall apply to:
      i) Any transactions in derivatives on a recognized stock exchange;
      ii) Short selling transactions in accordance with the framework specified by the Board;
      iii) Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
      iv) Any other transaction specified by the Board.

   c) No transaction on the stock exchange shall be carried forward;
   d) The transaction of business in securities by a foreign portfolio investor shall be only through stock brokers registered by the Board; provided nothing contained in this clause shall apply to:

4) transactions in Government securities and such other securities falling under the purview of the Reserve Bank of India which shall be carried out in the manner specified by the Reserve Bank of India;

5) Sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

6) Sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

7) Sale of securities, in accordance with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;

8) divestment of securities in response to an offer by Indian Companies in accordance with Operative Guidelines of Disinvestment of shares of Indian Companies in the overseas market through issue of American Depository Receipts or Global Depository Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;

9) Any bid for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;

10) Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making portion of the Issue or subscribing to the unsubscribed portion of the Issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

11) Any other transaction specified by Board.
   a) A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in dematerialized form:

12) Provided that any shares held in non-dematerialized form, before the commencement of these regulation, can be held in non-dematerialized form, if such shares cannot be dematerialized.

13) Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Depositories Act, 1996.

14) The purchase of Equity Shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of the total issued capital of the company.

15) The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.

16) In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.

17) A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard.

18) No foreign portfolio investor may issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:

19) Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority;

20) Such offshore derivatives instruments are issued after compliance with "know your client" norms:

Provided that those unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal, in offshore derivatives instruments directly or indirectly:

Provided further that, no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.

A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.

Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to off-shore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.

Any offshore derivative instruments issued under the Securities and Exchange Board of India of India (Foreign Institutional Investors) Regulations, 1995 before commencement of SEBI (Foreign Portfolio Investors) Regulation, 2014 shall be deemed to have been issued under the corresponding provision of SEBI (Foreign Portfolio Investors) Regulation, 2014.

The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below 10 per cent of the total issued capital of the company.

An FII or its subaccount which holds a valid certificate of registration shall, subject to the payment of conversion fees, be eligible to continue to buy, sell or otherwise deal in securities till the expiry of its registration as a foreign institutional investor or sub-account, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

Qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provision of SEBI (Foreign Portfolio Investors) Regulation, 2014, for a period of one year from the date of commencement of aforesaid regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

Application by Mutual Funds

As per the Current regulations, the following restrictions are applicable for investments by Mutual Fund:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid up share capital carrying voting rights.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid Cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

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 Bid in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

The Bid made by Asset Management Companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

Applications 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 LLP Act, 2008 must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bids without assigning any reason thereof.

Applications by Insurance Companies

In case of Bids made by insurance companies registered with IRDA, certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any application, without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment Scheme) (5th Amendment) Regulations, 2010, as amended (the "IRDA Investment Regulations"), are broadly set forth below:

(a) Equity shares of a company: The lesser of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

(b) The entire group of the investee company: at least 10% of the respective fund in case of a life insurer or 10% of investment assets in case of general insurer or reinsurer (25% in case of Unit Linked Insurance Plans); and

(c) The industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of Unit Linked Insurance Plans).

Applications under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2,500 Lakh (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakh, 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 with the

Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

With respect to the Bids by VCFs, FVCIs and FPIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may belong with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In the case of Bids made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolutions or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be submitted along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by the IRDA must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Bids made by to the power of attorney by FIIs, a certified copy of the power of attorney the relevant resolution or authority, as the case may be along with the certified copy of SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In the case of Bid cum Applications made by provident funds, subject to applicable law, with minimum corpus of Rs. 2500 Lacs and pension funds with minimum corpus of Rs. 2500 Lacs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

Application by Provident Funds/Pension Funds

In case of Bids made by provident funds with minimum corpus of Rs. 2,500 lakhs (subject to applicable law) and pension funds with minimum corpus of Rs. 2,500 lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

The above information is given for the benefit of the Bidder. Our Company, BRLM and Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of filing of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the maximum number of Equity Shares applied for or maximum investment limits do not exceed the applicable limits under laws or regulations or as specified in this Red Herring Prospectus.

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, severally and not jointly, reserve the right to reject any Bid without assigning any reason therefore.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "**Banking Regulation Act**"), and Master Circular – Para-banking Activities dated July 1, 2015 is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the investment in a non-financial services company by a banking company

together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company's paid-up share capital. A banking company may hold 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.

Method and Process of Bids

1) The Designated Intermediaries shall accept applications from the Bids during the Issue Period.
2) The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 (ten) Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 (ten) Working Days.
3) During the Issue Period, Bidders who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
4) The Bidder cannot apply on another Application Form after bids on one Bid Cum Application Form have been submitted to the Designated Intermediaries. Submission of a second Bid cum Application form to either the same or to another Designated Intermediaries will be treated as multiple bids and is liable to rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.
5) Designated Intermediaries accepting the bid cum application forms shall be responsible for uploading the application along with other relevant details in application forms on the electronic bidding system of stock exchange and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All bids shall be stamped and thereby acknowledged by the Designated Intermediaries at the time of receipt.
6) Upon receipt of the bid cum Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries 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 Exchange.
7) If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such bids and shall not upload such bids with the Stock Exchange.
8) 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 application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.
9) The bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdraw/ failure of the Issue or until withdrawal/ rejection of the bid cum Application Form, as the case may be. Once the Basis of Allotment if finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of 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.

Terms of payment

The entire Issue price of [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the bidders. SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The bidders should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the bidders.

Payment mechanism

The Bidders shall specify the bank account number in their Bid cum Application Form and the SCSBs shall block an amount equivalent to the bid Amount in the bank account specified in the Bid cum Application Form. The SCSB shall keep the bid Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the bid Amount. However Non Retail Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Bid by the ASBA Bidder, as the case may be.

Please note that pursuant to SEBI circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 investors in the public issue can only invest through ASBA Mode.

Electronic Registration of Applications

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.

2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.

3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
   i. the Bids accepted by them,
   ii. the Bids uploaded by them
   iii. the Bids accepted but not uploaded by them or
   iv. With respect to applications by Bidders, Bids accepted and uploaded by any Designated Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Bid accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.

4. Neither the Book Running Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
   i. the bids accepted by any Designated Intermediaries
   ii. the bids uploaded by any Designated Intermediaries or
   iii. the bids accepted but not uploaded by any Designated Intermediaries

5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediariesshall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.

6. With respect to bids by bidders, at the time of registering such bids, the Syndicate Bankers, DPs and RTAs shall forward a Schedule as per format given below along with the Bid cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

S. No.	Details*
1.	Symbol

2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

**Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

1. With respect to bids by bidders, at the time of registering such bids, the Designated Intermediaries shall enter the following information pertaining to the bids into in the on-line system:
   - Name of the bidder;
   - IPO Name:
   - Bid cum Application Form Number;
   - Investor Category;
   - PAN (of First bidder, if more than one bidder);
   - DP ID of the demat account of the Bidder;
   - Client Identification Number of the demat account of the Bidder;
   - Number of Equity Shares Applied for;
   - Bank Account details;
   - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
   - Bank account number.

2. In case of submission of the Bid by an Bidder through the Electronic Mode, the Bidder shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Bid cum Application Form number which shall be system generated.

3. The aforesaid Designated Intermediaries shall, at the time of receipt of bid, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the bid cum application form in physical as well as electronic mode. The registration of the bid by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.

4. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.

5. In case of Non Retail Bidders and Retail Individual Bidders, bids would not be rejected except on the technical grounds as mentioned in the Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.

6. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Runner Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

7. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.

8. The SCSBs shall be given one day after the Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.

9. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for bids.

Allocation of Equity shares

1. The Issue is being made through the Book Building Process wherein 1,71,000 Equity Shares shall be reserved for Market Maker. 32,10,000 Equity shares will be allocated on a proportionate basis to Retail Individual Bidders, subject to valid bids being received from Retail Individual Bidders at the Issue Price. The balance of the Net Issue will be available for allocation on proportionate basis to Non Retail Bidders.

2. Under- subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Stock Exchange.

3. Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

4. In terms of SEBI Regulations, Non Retail Bidders shall not be allowed to either withdraw or lower the size of their applications at any stage.

5. Allotment status details shall be available on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and Filing of Red Herring Prospectus with ROC

a. Our Company and BRLM has entered into an Underwriting Agreement dated July 31, 2017.
b. A copy of Red Herring Prospectus and Prospectus will be filled with the RoC in terms of Section 26 of 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 Regulations, in (i) English National Newspaper; (ii)Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation. In the pre-Issue advertisement, we stated the Bid Opening Date and the Bid Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, was in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

Advertisement regarding Issue Price and Prospectus

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of Allotment Advice

a. Upon approval of the Basis of Allotment by the Designated Stock Exchange.
b. The Book Running Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their bidders who have been allocated Equity Shares in the Issue.

The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Bid.

General Instructions

Do's:

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Bid Cum Application Form;
- Ensure that you have Bid within the Price Band;
- Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the bidders should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that you have funds equal to the Application Amount in the ASBA account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres),the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations); Instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
- Ensure that the Bid cum Application Form is signed by the account holder in case the bidder is not the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
- Ensure that the Bid cum Application Forms are delivered by the bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
- Ensure that you have requested for and receive a TRS;
- Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your bid options;
- All Investors submit their bids through the ASBA process only;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
- The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don’ts:

- Do not apply for lower than the minimum bid size;
- Do not apply for a price different from the price mentioned herein or in the Bid cum Application Form;
- Do not apply on another Bid cum Application Form after you have submitted an application to the SCSBs, Registered Brokers of Stock Exchange, RTA and DPs registered with SEBI;
- Do not pay the bid Price in cash, by money order or by postal order or by stock invest;
- Do not send Bid cum Application Forms by post, instead submit the Designated Intermediary only;
- Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company
- Do not apply on an Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the bid without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an bid Amount exceeding Rs. 2,00,000 (for applications by Retail Individual Bidders);
- Do not fill up the Bid cum Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit bids on plain paper or incomplete or illegible Bid cum Application Forms in a colour prescribed for another category of Applicant; and
- Do not make Bid cum Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.
- Do not submit more than five Bid cum Application Forms per ASBA Account;

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

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 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 along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

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 member of the Syndicate or the SCSB / Designated Intermediary, where the Bid was submitted and bank account number in which the amount equivalent to the Bid Amount was blocked.

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, unblocking of funds, etc. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders can contact the Designated Branches of the SCSBs.

Impersonation

Attention of the bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who-

i. Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
ii. 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
iii. Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

Shall be liable to action under section 447 of the Companies, Act 2013

Undertakings by Our Company

We undertakes as follows:

1. That the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;

2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (six) Working days of Bid/Issue Closing Date.

3. That if the Company does not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;

4. That the our Promoters' contribution in full has already been brought in;

5. All steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Bid/Issue Closing Date.

6. That no further issue of Equity Shares shall be made till the Equity Shares Issued through the Red Herring Prospectus are listed or until the Application monies are unblocked on account of non-listing, under subscription etc. and

7. That if the Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issuer;

8. Adequate arrangements shall be made to collect all Bid cum Application Forms.

9. That none of the promoters or directors of the company is willful defaulter under Section 4(5) of SEBI (ICDR) Regulations, 2009 as per the *(Third Amendment) in SEBI (ICDR) Regulations, 2016 dated May, 25, 2016*

Utilization of Issue Proceeds

Our Company declares that all monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 40 of the Companies Act, 2013.

Equity Shares in Dematerialized Form with NSDL or CDSL

To enable all shareholders of our Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

a) Agreement dated August 17, 2017 between NSDL, the Company and the Registrar to the Issue;
b) Agreement dated August 09, 2017 between CDSL, the Company and the Registrar to the Issue;

The Company's equity shares bear an ISIN No. INE146Y01013

Other Instructions

Joint Applications in the case of Individuals

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Applications

An Applicant should submit only one Application (and not more than one). Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

i. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications
ii. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
iii. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of ―know your client norms by the depositories. The Company reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple Applications and are liable to be rejected. The Company, in consultation with the Book Running Lead Manager reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple Applications is given below:

1. All Applications will be checked for common PAN. For Bidders other than Mutual Funds and FII sub-accounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
2. For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Bidders for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

Permanent Account Number or PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (―PAN) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Bidders should mention his/her PAN allotted under the IT Act. Applications without the PAN will be considered incomplete and are liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

Our Company/ Registrar to the Issue/ Book Running Lead Manager can, however, accept the

Application(s) in which PAN is wrongly entered into by ASBA SCSB's in the ASBA system, without any fault on the part of Applicant.

PART B

GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus before investing in the Issue

Section 1: Purpose of the General Information Document (GID)

This document is applicable to the public issues undertaken inter-alia through the Fixed Price Issues. The purpose of the ***"General Information Document for Investing in Public Issues"*** is to provide general guidance to potential Applicants in IPOs, on the processes and procedures governing IPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**SEBI ICDR Regulations, 2009"**).

Applicants should note that investment in equity and equity related securities involves risk and Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue; are set out in the Prospectus filed by the Issuer with the Registrar of Companies **("RoC").** Applicants should carefully read the entire Prospectus and the Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the Prospectus, the disclosures in the Prospectus shall prevail. The Prospectus of the Issuer is available on the websites of stock exchange, on the website(s) of the **BRLM** to the Issue and on the website of Securities and Exchange Board of India **("SEBI")** at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Applicants may refer to the section "Glossary and Abbreviations".

Section 2: Brief Introduction to IPOs on SME Exchange

2.1 Initial public Issue (IPO)

An IPO means an Issue of specified securities by an unlisted Issuer to the public for subscription and may include an Issue for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is inter-alia required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009 if applicable. For details of compliance with the eligibility requirements by the Issuer Applicants may refer to the Prospectus.

The Issuer may also undertake IPO under Chapter XB of SEBI (ICDR) regulations, wherein as per,

- Regulation 106M(1) : An issuer whose post-issue face value capital does not exceed ten crore rupees shall issue its specified securities in accordance with provisions of this Chapter.
- Regulation 106M(2) : An issuer whose post-issue face value capital is more than ten crore rupees and

upto twenty five crore rupees, may also issue its specified securities in accordance with provisions of this Chapter.

The present Issue being made under Regulation 106M(2) of Chapter XB of SEBI (ICDR) Regulation.

2.2 Other Eligibility Requirements

In addition to the eligibility requirements specified in paragraphs 2.1 an Issuer proposing to undertake an IPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 1956 and the Companies Act, 2013 as may be applicable ("the Companies Act), the Securities Contracts (Regulation) Rules, 1957 (the "SCRR"), industry-specific regulations, if any, and other applicable laws for the time being in force.

Following are the eligibility requirements for making an SME IPO under Regulation 106M (1) of Chapter XB of SEBI (ICDR) Regulation:

a) In accordance with Regulation 106(P) of SEBI (ICDR) Regulation, Issue has to be 100% underwritten and the BRLM has to underwrite at least 15% of the total issue size.
b) In accordance with regulation 106(R) of SEBI (ICDR) Regulation, total number of proposed allottees in the Issue shall be greater than or equal to fifty, otherwise the entire application money will be blocked forthwith. If such money is not repaid within eight days from the date the company becomes liable to repay it, than the Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under Section 40 of the Companies Act, 2013.
c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulation, Company is not required to file any Issue Document with SEBI nor has SEBI issued any observations on the Issue Document. The **Book Running Lead Manager** shall submit the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulation, the BRLM has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares Issued in the Issue.
e) The Issuer shall have a track record of three years.
f) The Net worth (excluding revaluation reserves) of the Issuer shall be positive as per the latest audited financial results.
g) The Issuer should have positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years.
h) The Post-issue paid up capital of the Issuer shall be less than Rs. 25 Crores.
i) The Issuer shall mandatorily facilitate trading in demat securities.
j) The Issuer should not have been referred to Board for Industrial and Financial Reconstruction.
k) No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company.
l) No material regulatory or disciplinary action should have been taken by any stock exchange or regulatory authority in the past three years against the Issuer.
m) The Company should have a website

Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter X-B of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106 (M) (3) of SEBI (ICDR) Regulation, 2009 the provisions of regulations 6(1), 6(2), 6(3) , Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to this Issue.

Thus the Company is eligible for the Issue in accordance with Regulation 106M(2) and other provision of Chapter XB of SEBI (ICDR) Regulations as the post –issue face value capital does not exceed Rs.2500 Lakh. Company also complies with the eligibility conditions laid by the SME Platform of BSE for listing of our Equity Shares.

2.3 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process **("Book Built Issue")** or undertake a Fixed Price Issue **("Fixed Price Issue").** An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in this Daft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Applicants should refer to the Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.4 Issue Period

The Issue may be kept open for a minimum of three Working Days (for all category of Applicants) and not more than ten Working Days. Applicants are advised to refer to the Application Form and Abridged Prospectus or Prospectus for details of the Issue Period. Details of Issue Period are also available on the website of Stock Exchange.

2.5 Migration To Main Board

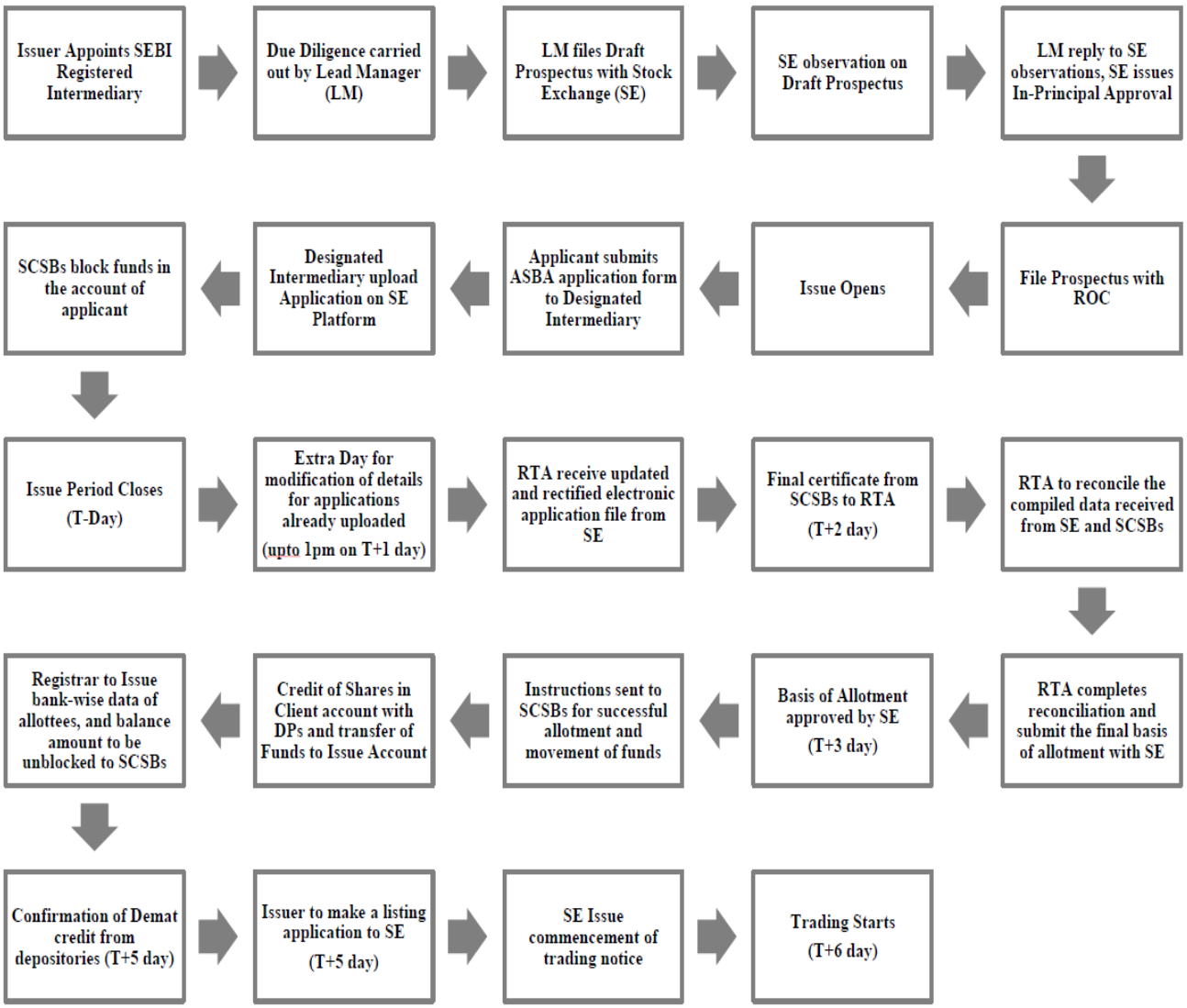
SME Issuer may migrate to the Main Board of Stock Exchange from the SME Exchange at a later date subject to the following:

a) If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), The Company shall apply to SE for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.
OR

b) If the Paid up Capital of the company is more than 10 crores but below Rs. 25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

2.6 Flowchart Of Timelines

A flow chart of process flow in Book Building Issues is as follows:


Issuer Appoints SEBI Registered Intermediary
Due Diligence carried out by Lead Manager (LM)
LM files Draft Prospectus with Stock Exchange (SE)
SE observation on Draft Prospectus
LM reply to SE observations, SE issues In-Principal Approval
File Prospectus with ROC
Issue Opens
Applicant submits ASBA application form to Designated Intermediary
Designated Intermediary upload Application on SE Platform
SCSBs block funds in the account of applicant
Issue Period Closes (T-Day)
Extra Day for modification of details for applications already uploaded (upto 1pm on T+1 day)
RTA receive updated and rectified electronic application file from SE
Final certificate from SCSBs to RTA (T+2 day)
RTA to reconcile the compiled data received from SE and SCSBs
RTA completes reconciliation and submit the final basis of allotment with SE
Basis of Allotment approved by SE (T+3 day)
Instructions sent to SCSBs for successful allotment and movement of funds
Credit of Shares in Client account with DPs and transfer of Funds to Issue Account
Registrar to Issue bank-wise data of allottees, and balance amount to be unblocked to SCSBs
Confirmation of Demat credit from depositories (T+5 day)
Issuer to make a listing application to SE (T+5 day)
SE Issue commencement of trading notice
Trading Starts (T+6 day)

SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders/Bidders, such as NRIs, FII's, 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 Prospectus for more details.

Subject to the above, an illustrative list of Bidders is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, in single or joint names (not more than three) or in the names of minors as natural / legal guardian;
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder/Bidder should specify that the Application 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". Applications by HUFs may be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorized to invest in equity shares under their respective constitutional and charter documents;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law; NRIs other than Eligible NRIs are not eligible to participate in this Issue.
- Indian Financial Institutions, scheduled commercial banks regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FPIs other than Category III foreign portfolio investors, VCFs and FVCIs registered with SEBI.
- Limited liability partnerships registered in India and authorized to invest in equity shares.
- Sub- accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non- Institutional Bidder's category.
- State Industrial Development Corporations.
- Trusts/societies registered under the Societies Registration Act, 1860, as amended or under any other law relating to trusts/societies and who are authorized under their respective constitutions to hold and invest in equity shares;
- Scientific and/ or Industrial Research Organizations authorized to invest in equity shares.
- Insurance Companies registered with IRDA;
- Provident Funds and Pension Funds with minimum corpus of₹ 2500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
- Eligible QFIs;
- Multilateral and Bilateral Development Financial Institutions;
- 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;
- Insurance funds set up and managed by army, navy, air force of the Union of India or by Department of Posts, India;
- Any other person eligible to apply to this Issue, under the laws, rules, regulations, guidelines, and policies applicable to them and under Indian Laws.

Applications not to be made by:

- **Minors (except under guardianship)**
- **Partnership firms or their nominees**
- **Foreign Nationals (except NRIs)**
- **Overseas Corporate Bodies**

As per the existing regulations, OCBs are not allowed to participate in an Issue.

SECTION 4: APPLYING IN THE ISSUE

Book Building Issue: Bidders should only use the specified Bid cum Application Form either bearing the stamp of Designated Intermediaries as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the registered office of the Issuer, and office of the RTA and at the office of the BRLM. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the Prospectus.

Bidders should ensure that they apply in the appropriate category. The prescribed color of the Bid cum Application Form for various categories of Bidders is as follows:

Category	**Color of the Application**
Resident Indian, Eligible NRIs applying on a non -repatriation basis	White
NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs on a repatriation basis	Blue

4.1 Instructions For Filing Bid cum Application Form/ Bid cum Application Form

Bidders may note that forms not filled completely or correctly as per instructions provided in this GID, the Red Herring Prospectus and Bid cum Application Form / Bid cum Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R Address : ..... Contact Details: ..... CIN No	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE
ISIN : .....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	RECEIVING BANK/SCSB BRANCH STAMP & CODE
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address .....

Email .....

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL: enter 8 digit DP ID followed by 8 digit Client ID / For CDSL: enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
		Bid Price	Retail Discount	Net Price	'Cut-off' (Please ✓ tick)
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder
☐ Non-Institutional Bidder
☐ QIB

6. INVESTOR STATUS

☐ Individual(s) - IND
☐ Hindu Undivided Family* - HUF
☐ Bodies Corporate - CB
☐ Banks & Financial Institutions - FI
☐ Mutual Funds - MF
☐ Non-Resident Indians - NRI (Non-Repatriation basis)
☐ National Investment Fund - NIF
☐ Insurance Funds - IF
☐ Insurance Companies - IC
☐ Venture Capital Funds - VCF
☐ Alternative Investment Funds - AIF
☐ Others (Please specify) - OTH

* HUF should apply only through Karta (Application by HUF would be treated on par with Individual)

7. PAYMENT DETAILS PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDER'S UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bids in Stock Exchange system)
Date :	I/We authorize the SCSB to do all acts as are necessary to make the Application in the box 1) 2) 3)	

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

LOGO

XYZ LIMITED
INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/DP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch
ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile	Email	

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

Stamp & Signature of Broker / SCSB / DP / RTA

ASBA Bank A/c No. .....
Bank & Branch .....

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - NR Address : ..... Contact Details: ..... CIN No	FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIS OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE
ISIN : .....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms. .....

Address .....

Email .....

Tel. No (with STD code) / Mobile .....

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. INVESTOR STATUS

- NRI — Non-Resident Indian(s) (Repatriation basis)
- FII — FII or Sub-account not a Corporate/Foreign Individual
- FIISA — FII Sub-account Corporate/Individual
- FVCI — Foreign Venture Capital Investor
- FPI — Foreign Portfolio Investors
- OTH — Others (Please Specify) .....

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
		Bid Price	Retail Discount	Net Price	"Cut-off" (Please tick)
	8 7 6 5 4 3 2 1	3 2 1	3 2 1	3 2 1	
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

- ☐ Retail Individual Bidder
- ☐ Non-Institutional Bidder
- ☐ QIB

7. PAYMENT DETAILS — PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) ..... (₹ in words) .....

ASBA Bank A/c No. .....

Bank Name & Branch .....

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THIS BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
Date :	I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue 1) 2) 3)	

TEAR HERE

LOGO

XYZ LIMITED
INITIAL PUBLIC ISSUE - NR

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures) | Bank & Branch

ASBA Bank A/c No.

Stamp & Signature of SCSB Branch

Received from Mr./Ms. .....

Telephone / Mobile | Email

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder .....

Acknowledgement Slip for Bidder

ASBA Bank A/c No. .....

Bank & Branch .....

Bid cum Application Form No.

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

TEAR HERE

4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER

Bidders should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

a) **Mandatory Fields:** Bidders should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders should note that the contact details mentioned in the Bid cum Application Form may be used to dispatch communications(including letters notifying the unblocking of the bank accounts of \Bidders) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer,

b) The Designated Intermediaries and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.

c) **Joint Bids**: In the case of Joint Bids, the Bids should be made in the name of the Bidder 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 would be required in the Bid cum Application Form/ Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders All communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

d) **Impersonation:** Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

e) "Any person who:

- makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of the said act."

f) **Nomination Facility to Bidder: Nomination facility is available in accordance with the provisions of** Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

1.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLEFIRSTBIDDER

a) PAN (of the sole/ first Bidder) provided in the Bid cum Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.

b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Applications on behalf of the Central or State Government, Applications by officials appointed by the courts and Applications by Bidders residing in Sikkim ("PAN Exempted Bidders"). Consequently, all Bidders, other than the PAN Exempted Bidders, are required to disclose their PAN in the Bid cum Application Form, irrespective of the Application Amount. A Bid cum Application Form without PAN, except in case of Exempted Bidders, is liable to be rejected. Applications by the Bidders whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

c) The exemption for the PAN Exempted Bidders is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

d) Bid cum Application Forms which provide the General Index Register Number instead of PAN may be rejected.

e) Applications by Bidders whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and demographic details are not provided by depositories.

1.1.3 FIELD NUMBER 3: BIDDERS DEPOSITORY ACCOUNT DETAILS

a) Bidders should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form. The DP ID and Client ID provided in the Bid cum Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form is liable to be rejected.**

b) Bidders should ensure that the beneficiary account provided in the Bid cum Application Form is active.

c) Bidders should note that on the basis of DP ID and Client ID as provided in the Bid cum Application Form, the Bidder may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to an Issue.

d) Bidders are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders' sole risk.

1.1.4 FIELD NUMBER 4: BID OPTIONS

a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the DRHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Offer Opening Date in case of an IPO, and at least one Working Day before Bid/Offer Opening Date in case of an FPO.

b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs undertaken through the Book Building Process. Cut-Off Price: Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.

c) Minimum Bid Value and Bid Lot: The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum Bid value is within the range of above₹1,00,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum Bid value.

d) Allotment: The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may to the DRHP or the advertisement regarding the Price Band published by the. Minimum and Maximum Bid Size

i. For Retails Individual Bidders

ii. The Application must be for a minimum of [•] equity shares. As the application price payable by the retail individual Bidders cannot exceed₹ 200000 they can make Application for only minimum Application size i.e for [•] equity shares.

iii. For Other Bidders (Non Institutional Bidders and QIBs):

iv. The Application must be for a minimum of such number of equity shares such that the Application Amount exceeds₹ 200000 and in multiples of [•] equity shares thereafter. An application cannot be submitted for more than the Issue Size. However, the maximum application by a QIB investor

should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application. In case of revision of Applications, the Non Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than₹ 200000 for being considered for allocation in the Non Institutional Portion. Bidders 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 prescribed law or regulation or as specified in this Red Herring Prospectus.

v. In case the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Bidders who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

vi. The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process.

e) **Multiple Applications:** 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. 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.

f) Bidders are requested to note the following procedures may be followed by the Registrar to the issue to detect multiple applications:

i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FPI sub-accounts, bids bearing the same PAN may be treated as multiple applications by a Bidder and may be rejected.

ii. For applications from Mutual Funds and FPI sub-accounts, submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

g) The following Bids may not be treated as multiple applications:

iii. Bid by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.

iv. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bid clearly indicates the scheme for which the application has been made.

v. Application by Mutual Funds, and sub-accounts of FPIs (or FPIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs, and DP IDs.

1.1.5 FIELD NUMBER 5: CATEGORY OF BIDDERS

a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Application, allocation and allotment in the Issue are RIIs, Individual Bidders other than RIIs, and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

b) An Issuer can make reservation for certain categories of Bidders as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders may refer to the Prospectus.

c) The SEBI ICDR Regulations, 2009, specify the allocation or allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. For details pertaining to allocation and Issue specific details in relation to allocation Bidder may refer to the Red

Herring Prospectus.

1.1.6 FIELD NUMBER 6: INVESTOR STATUS

i. Each Bidder should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.

ii. Certain categories of Bidders, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders are requested to refer to the Red Herring Prospectus for more details.

iii. Bidders should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.

iv. Bidders should ensure that their investor status is updated in the Depository records.

1.1.7 FIELD NUMBER 7: PAYMENT DETAILS

a) All Bidders are required to use ASBA facility to block the full Amount (net of any Discount, as applicable) along-with the Bid cum Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Amount in the Bid cum Application Form and the funds shall be blocked for Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder.
b) All categories of investors can participate in the Issue only through ASBA mechanism.
c) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.
d) Bidders who Bid at Cut-off Price shall DEPOSIT the Bid Amount based on the Cap Price.

1.1.7.1 Payment instructions for Bidders

a) Bidders may submit the Bid cum Application Form either in physical mode or online mode to any Designated Intermediaries.

b) Bidders should specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by an Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.

c) Bidder should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;

d) Bidder shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

e) From one ASBA Account, a maximum of five Bid cum Application Forms can be submitted.

f) Bidders applying through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified Locations. Bidders should also note that Bid cum Application Forms submitted to the Syndicate at the Specified Locations may not be accepted by the member of the Syndicate if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries).

g) Bidders applying through a Registered Broker, RTA or CDP should note that Bid cum Application Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in Bid cum

Application Form, is maintained has not named at least one branch at that location for the Registered Brokers, RTA or CDP, as the case may be, to deposit Bid cum Application Forms.

h) ASBA Bidder applying directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

i) Upon receipt of Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.

j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Bid cum Application Form may upload the details on the Stock Exchange Platform.

k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.

l) Upon submission of a completed Bid cum Application Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.

m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid cum Application, as the case may be.

n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Application is liable to be rejected.

1.1.8 Unblocking of ASBA Account

a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful Bids transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted, if any, against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected/ non allotment / partial allotment ASBA Application, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bid, if any, to enable the SCSBs to unblock the respective bank accounts.

b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bid to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bid, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 6 Working Days of the Issue Closing Date.

4.1.8.1 Discount (if applicable)

a) The Discount is stated in absolute rupee terms.
b) RII, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts Issued in the Issue, Bidders may refer to the Red Herring Prospectus.
c) For the Bidders entitled to the applicable Discount in the Issue the Bid Amount less Discount (if applicable) shall be blocked.

4.1.8.2 Additional Instructions for NRIs

The Non-Resident Indians who intend to block funds in their Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, blocking of funds in their NRO account shall not be accepted.

4.1.9 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS

a) Only the First Bidder is required to sign the Bid cum Application Form. Bidders should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
b) If the ASBA Account is held by a person or persons other than the Bidder, then the Signature of the ASBA Account holder(s) is also required.
c) In relation to the Applications, signature has to be correctly affixed in the authorization/undertaking box in the Bid cum Application Form, or an authorization has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Bid cum Application Form.
d) Bidders must note that Bid cum Application Form without signature of Bidder and /or ASBA Account holder is liable to be rejected.

4.1.10 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

Bidders should ensure that they receive the acknowledgment duly signed and stamped by the Designated Intermediary, as applicable, for submission of the Bid cum Application Form.

1) All communications in connection with Applications made in the Issue should be addressed as under:
   a) In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, unblocking of funds, the Bidders should contact the Registrar to the Issue.
   b) In case of Applications submitted to the Designated Branches of the SCSBs or Registered Brokers or Registered RTA/DP, the Bidders should contact the relevant Designated Branch of the SCSB or Registered Brokers or Registered RTA/DP, as the case maybe.
   c) Bidder may contact the Company Secretary and Compliance Officer or BRLM in case of any other complaints in relation to the Issue.

2) The following details (as applicable) should be quoted while making any queries -
   a) Full name of the sole or Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.
   b) name and address of the Designated Intermediary, where the Application was submitted; or
   c) In case of ASBA Applications, ASBA Account number in which the amount equivalent to the Application Amount was blocked.

For further details, Bidder may refer to the Red Herring Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISIONFORM

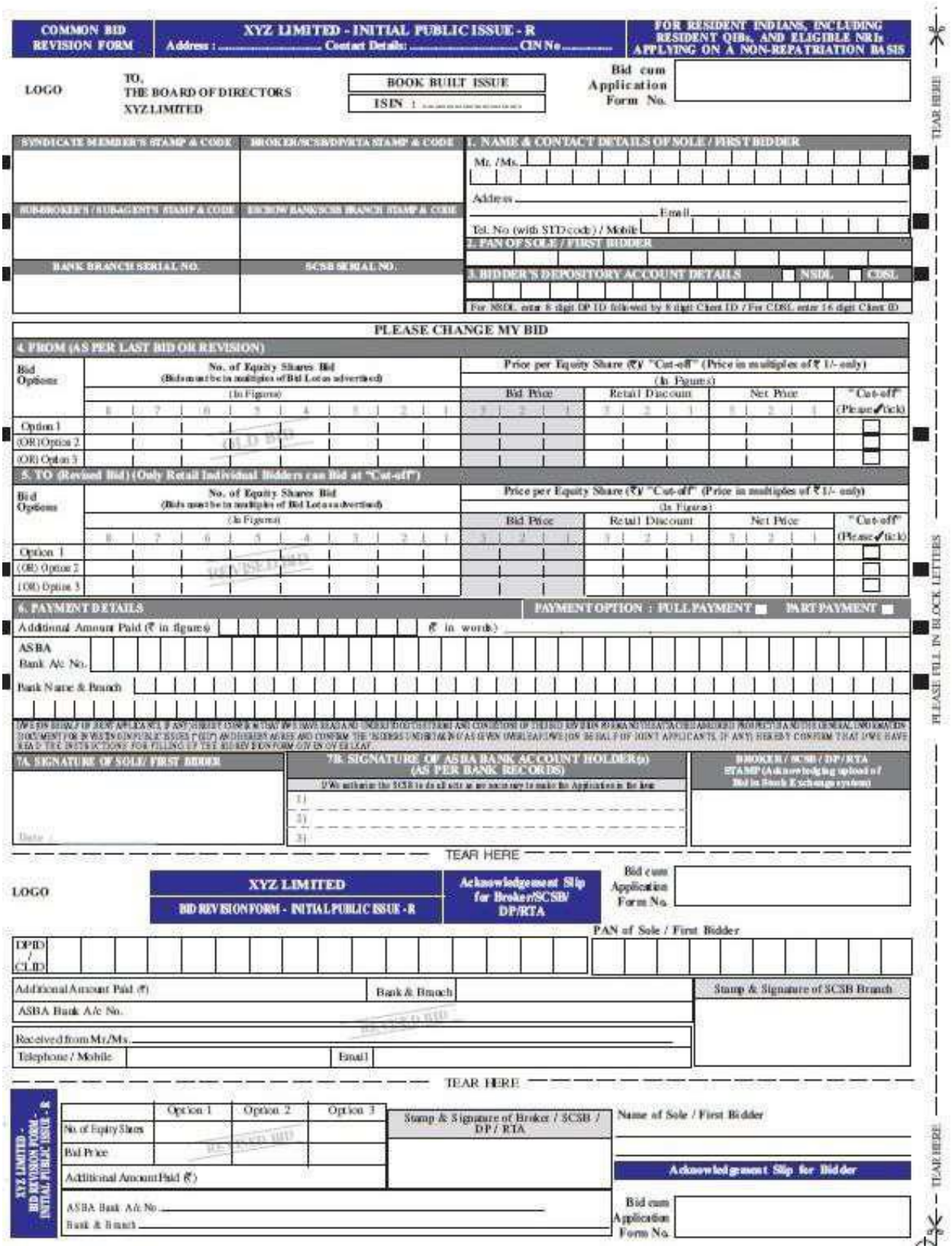
a) During the Issue Period, any Bidder (other than QIBs and NIIs, who can only revise their application upwards) who has registered his or her interest in the Equity Shares at a particular number of shares is free to revise number of shares applied using revision forms available separately.

b) RII may revise their applications till closure of the issue period or withdraw their applications until finalization of allotment.

c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

d) The Bidder can make this revision any number of times during the Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same Designated Intermediary through which such Bidder had placed the original Bid.

A sample Revision form is reproduced below:



COMMON BID REVISION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

Address : ..... Contact Details: ..... CIN No .....

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN :

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/DP/RTA STAMP & CODE

SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | SCSB BANK/DCS BRANCH STAMP & CODE

BANK BRANCH SERIAL NO. | SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. /Ms.

Address ..... Email .....

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY BID

4. FROM (AS PER LAST BID OR REVISION)

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

6. PAYMENT DETAILS | PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Additional Amount Paid (₹ in figures) ₹ in words

ASBA Bank A/c No.

Bank Name & Branch

I/WE ENCLOSE THE FULL APPLICATION AMOUNT AND I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THE BID REVISION FORM AND THE ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND BIDDING THEREIN AND AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.

7A. SIGNATURE OF SOLE/ FIRST BIDDER

Date :

7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)

I/We authorise the SCSB to do all acts as are necessary to make the Application in the form

1)
2)
3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO

XYZ LIMITED
BID REVISION FORM - INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Additional Amount Paid (₹) | Bank & Branch | Stamp & Signature of SCSB Branch

ASBA Bank A/c No.

Received from Mr./Ms.

Telephone / Mobile | Email

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - R - BID REVISION FORM - PROOF OF BID

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Additional Amount Paid (₹)			

Stamp & Signature of Broker / SCSB / DP / RTA

ASBA Bank A/c No.

Bank & Branch

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

TEAR HERE

4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER, PAN OF SOLE/FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER

Bidders should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'

a) Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of the share applied/bid for given in his or her Bid cum Application Form or earlier Revision Form.
b) In case of revision, Bid options should be provided by Bidders in the same order as provided in the Bid cum Application Form.
c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders should ensure that the Bid Amount, should not exceed₹2,00,000/- due to revision and the bid may be considered, subject to the eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process.
d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the DRHP. If, however, the RII does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked in case of Bidders.

4.2.3FIELD 6: PAYMENT DETAILS

a) All Bidders are required to make payment of the full Bid Amount (less Discount, if applicable) along with the Bid Revision Form. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
b) Bidder may Offer instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds₹ 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the DRHP. If, however, the Bidder does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the Bidder is deemed to have approved such revised Bid at the Cut-off Price.
d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked.

4.2.4 FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS

Bidders may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 SUBMISSION OF REVISION FORM/BID CUM APPLICATION FORM

Bidders may submit completed Bid cum Application Form / Revision Form in the following manner:-

Mode of Application	Submission of Bid cum Application Form
All Investor Bids	To the Designated Intermediaries

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid cum Application Form, in physical or electronic mode respectively

SECTION 5: ISSUE PROCEDURE IN BOOK BUILDING ISSUE

Book Building, in the context of the Offer, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Offer Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Offer Price is finalised after the Bid/Offer Closing Date. Valid Bids received at or above the Offer Price are considered for allocation in the Offer, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS:

(a) During the Bid/Offer Period, Bidders/Applicants may approach any of the Designated Intermediaries to register their Bids.
(b) In case of Bidders/Applicants (excluding NIIs, NIBs and QIBs) Bidding at Cut-off Price, the Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).
(c) For details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the DRHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

(a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
(b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.
(c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1 p.m. on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

5.3 BUILD UP OF THE BOOK

a. Bids received from various Bidders/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Offer 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/ Offer Period.

5.4 WITHDRAWAL OF BIDS

(a) RIBs can withdraw their Bids until Bid/Offer Closing Date. In case a RIB wishes to withdraw the Bid during the Bid/Offer 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 Offer shall give instruction to the SCSB for unblocking the ASBA Account upon or after the finaliation of basis of allotment. QIBs and NIBs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

(a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:

i. the Bids accepted by the Designated Intermediary,
ii. the Bids uploaded by the Designated Intermediary, and
iii. the Bid cum application forms accepted but not uploaded by the Designated Intermediary.

(b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all information required is not provided and the Bid cum Application Form is incomplete in any respect.

(c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.

(d) In case of QIB Bidders, only the (i) SCSBs; and (ii) BRLMs and their affiliate Syndicate Members (only in the specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

(e) All bids by QIBs, NIBs & RIBs Bidders can be rejected on technical grounds listed herein.

5.5.1 **GROUNDS FOR TECHNICAL REJECTIONS**

Bid cum Application Forms/Application Forms can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/ Applicants are advised to note that the Bids/Applications are liable to be rejected, which have been detailed at various places in this GID:-

a. Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
b. Bids/Applications by OCBs;
c. In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
d. In case of Bids/Applications under power of attorney or by limited companies, corporate, trust, etc., relevant documents are not being submitted along with the Bid cum application form;
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. PAN not mentioned in the Bid cum Application Form/ Application Forms except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
h. In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
i. Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
j. Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;
k. Bids/Applications at Cut-off Price by NIBs and QIBs;
l. The amounts mentioned in the Bid cum Application Form/Application Forms do not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
m. Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

n. Submission of more than five ASBA Forms/Application Forms per ASBA Account;
o. Bids/Applications for number of Equity Shares which are not in multiples Equity Shares as specified in the RHP;
p. Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;
q. Bids not uploaded in the Stock Exchanges bidding system.
r. Inadequate funds in the bank account to block the Bid/ Application Amount specified in the ASBA Form/ Application Form at the time of blocking such Bid/ Application Amount in the bank account;
s. Where no confirmation is received from SCSB for blocking of funds;
t. Bids/Applications by Bidders not submitted through ASBA process;
u. Bids/Applications submitted to Designated Intermediaries at locations other than the Bidding Centers or to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the Issuer or the Registrar to the Offer;
v. Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

5.6 BASIS OF ALLOCATION

a. The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP/Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the DRHP/ RHP/ Prospectus.

b. Under-subscription in any category (except QIB Portion) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.
c. In case of under subscription in the Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.

d. Illustration of the Book Building and Price Discovery Process

Bidders should note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the price band. For instance, assume a price band of ₹20 to ₹24 per share, issue size of [●] equity shares and receipt of five bids from bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription
500	24	500	16.70%
1000	23	1500	50.00%
1500	22	3000	100.00%
2000	21	5000	166.70%
2500	20	7500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of equity shares is the price at which the book cuts off, i.e., ₹22.00 in the above example. The issuer, in consultation with the Book Running Lead Manager, will finalise the issue price at or below such cut-off price, i.e., at or below ₹22.00. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding ("Alternate Book Building Process"). The Issuer may specify the Floor

Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Offer Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIBs, NIBs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIX PRICE ISSUE

Bidders may note that there is no Bid cum Application Form in a Fixed Price Offer.

As the Offer Price is mentioned in the Fixed Price Offer therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form. Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary. Applicants may submit an Application Form either in physical form to the any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorizing blocking of funds that are available in the bank account specified in the Application Form only ("ASBA Account"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date. In a fixed price Offer, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Bidders; and remaining to (i) individual investors other than Retail Individual Bidders; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/ Applicants may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

7.1 Basis of Allotment

The Allotment of Equity Shares to Bidders other than Retail Individual Investors may be on proportionate basis. For Basis of Allotment to Bidders may refer to DRHP. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Offer (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

Allotment will be made in consultation with BSE SME (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

(a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of Bidders in the category x number of Shares applied for).
(b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
(c) For applications where the proportionate allotment works out to less than [●] Equity Shares the allotment will be made as follows:
    i. Each successful Bidder shall be allotted [●] Equity Shares;
    ii. The successful Bidders out of the total Bidders for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is

equal to the number of Shares worked out as per (2) above.

(d) If the proportionate allotment to an Bidder works out to a number that is not a multiple of [●] Equity Shares, the Bidder would be allotted Shares by rounding off to the lower nearest multiple of [●] Equity Shares subject to a minimum allotment of [●] Equity Shares.

(e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidders in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of Bidders applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares Issued, the final allotment may be higher at the sole discretion of the Board of Directors, up-to 110% of the size of the Issue specified under the Capital Structure mentioned in this Prospectus.

(f) The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for Retail Individual Bidders as described below:

i. As per Regulation 43(4) of the SEBI (ICDR) Regulations, as the Retail Individual Investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.

ii. Remaining to Individual Bidders other than retail individual investors and Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

iii. The unsubscribed portion in either of the categories specified in (a) or (b) above may be available for allocation to the Bidders in the other category, if so required.

'Retail Individual Investor' means an investor who applies for shares of value of not more than₹ 2,00,000. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with SME Platform of BSE.

The Executive Director / Managing Director of BSE - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

As per the RBI regulations, OCBs are not permitted to participate in the Issue. There is no reservation for Non Residents, NRIs, FPIs and foreign venture capital funds and all Non Residents, NRI, FPI and Foreign Venture Capital Funds Bidders will be treated on the same basis with other categories for the purpose of allocation.

7.2 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

a. **Designated Date:** On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.

b. **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**

c. 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.

d. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

e. Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Bidders Depository Account will be completed within 5Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Bidder's depository account is completed within 5 Working Days of the Issue Closing Date,

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 6Working Days of the Issue Closing Date.

8.2 GROUNDS FOR UNBLOCKING OF FUNDS

8.2.1 Non Receipt of Listing Permission

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus. The Designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalized.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith initiate action to unblock the application amount from the Investors accounts.

If such money is not repaid within the eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of Companies Act, and disclosed in the Prospectus.

8.2.2 Minimum Subscription

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten.

As per Section 39 of Companies Act, 2013 if the "stated minimum 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 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 Issue through the Issue Document including devolvement of underwriters , if any, within sixty (60) days from the date of closure of the issue, our company shall forthwith unblocked the entire application amount received. If there is a delay beyond eighty 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 SEBI Regulations, the Companies Act, 2013.

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 amounts in the ASBA Account shall be unblocked within 6working days of closure of the issue.

Further in accordance with Regulation 106(Q) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than₹100000/- (Rupees One Lakh) per application.

The equity shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be Issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance without the applicable laws of such jurisdiction.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be unblocked forthwith.

8.3 Mode of Unblocking of Funds

Within 6 Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application and also for any excess amount blocked on Application.

8.3.1Mode of making refunds for Bidders

The Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA applications or in the event of withdrawal or failure of the Issue.

8.4 Interest In Case Of Delay in Allotment

The Issuer may pay interest at the rate of 15% per annum if 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 Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 6 working days from the Issue Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders
Allottee	An Bidder to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Application	An indication to make an Issue during the Issue Period by a prospective pursuant to submission of Bid cum Application Form or during the Anchor Investor Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price including all revisions and modifications thereto.
Bid cum Application Form	The form in terms of which the Bidder should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount/ (ASBA)/ASBA	An application, whether physical or electronic, used by Bidders to make a Application authorizing an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Application Amount of the ASBA Bidder
ASBA Application	An Application made by an ASBA Bidder
Bidder	Prospective Bidders in the Issue who apply through ASBA
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders under the Issue
Book Running Lead Manager/ BRLM	The Book Running Lead Manager to the Issue as disclosed in the Prospectus and the Bid cum Application Form of the Issuer.

Bid	An indication to make an Issue during the Issue Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto.
Issue Closing Date	The date after which the SCSBs may not accept any application for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders may refer to the Prospectus for the Issue Closing Date
Issue Opening Date	The date on which the SCSBs may start accepting application for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders may refer to the Prospectus for the Issue Opening Date
Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Bidders (other than Anchor Investors) can submit their Application, inclusive of any revisions thereof. The Issuer may consider closing the Issue Period for QIBs one working day prior to the Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Bidders may refer to the Prospectus for the Issue Period
Application Amount	The value indicated in the Bid cum Application Form and payable by the Bidder upon submission of the Application (except for Anchor Investors), less discounts (if Applicable).
Bid cum Application Form	The form in terms of which the Bidder should make an Issue to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Red Herring Prospectus, whether applying through the ASBA or otherwise.
Bidder	Any prospective investor (including an ASBA Bidder) who makes a Application pursuant to the terms of the Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder should be construed to mean an Bidder
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders under the Issue
Bid	An indication to make an Issue during the Issue Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto.
Issue Closing Date	The date after which the SCSBs may not accept any application for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders may refer to the Prospectus for the Issue Closing Date
Issue Opening Date	The date on which the SCSBs may start accepting application for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders may refer to the Prospectus for the Issue Opening Date

Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Bidders (other than Anchor Investors) can submit their Application, inclusive of any revisions thereof. The Issuer may consider closing the Issue Period for QIBs one working day prior to the Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Bidders may refer to the Prospectus for the Issue Period
Application Amount	The value indicated in the Bid cum Application Form and payable by the Bidder upon submission of the Application (except for Anchor Investors), less discounts (if applicable).
Bid cum Application Form	The form in terms of which the Bidder should make an Issue to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Red Herring Prospectus, whether applying through the ASBA or otherwise.
Book Built Process/ Book Building Process/ Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009,
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders can submit the Bid cum Application Form to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by the ASBA Bidders applying through the ASBA and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries.
Designated CDP Locations	Such locations of the CDPs where Bidder can submit the Bid cum Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the websites of the Stock Exchange i.e. www.bseindia.com

Designated RTA Locations	Such locations of the RTAs where Bidder 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 i.e. www.bseindia.com
Designated Date	The date on or after which funds are transferred by the SCSBs to the Public Issue Account of the Issuer.
Designated Stock Exchange	The designated stock exchange as disclosed in the Red Herring Prospectus of the Issuer
Designated Intermediaries /Collecting Agent	Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Bid cum Application Forms from the Bidders, in relation to the Issue
Discount	Discount to the Issue Price that may be provided to Bidders in accordance with the SEBI ICDR Regulations, 2009.
Red Herring Prospectus	The Red Herring Prospectus filed with SEBI in case of Book Built Issues and which may mention a price
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoter. For further details Bidder may refer to the Prospectus
Equity Shares	Equity shares of the Issuer
FCNR Account	Foreign Currency Non-Resident Account
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public Issueing
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public Issueing
Issue	Public Issue of Equity Shares of the Issuer including the Issue for Sale if applicable
Issuer/ Company	The Issuer proposing the initial public Issueing/further public Issueing as applicable
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Application Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Application Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996

NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion
Non-Institutional Investors or NIIs	All Bidders, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Applied for Equity Shares for an amount of more than Rs. 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs, FPIs and FVCIs
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Issue for Sale	Public Issue of such number of Equity Shares as disclosed in the Prospectus through an Issue for sale by the Selling Shareholder
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual Bidders other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalize the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 32 of the Companies Act, 2013 read with section 26 of Companies Act 2013 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTA	Registrar to the Issue and Share Transfer Agent
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue/RTI	The Registrar to the Issue as disclosed in the Prospectus and Bid cum Application Form
Reserved Category/ Categories	Categories of persons eligible for making application/bidding under reservation portion

Reservation Portion	The portion of the Issue reserved for category of eligible Bidders as provided under the SEBI ICDR Regulations, 2009
Retail Individual Investors / RIIs	Investors who applies or bids for a value of not more than Rs. 200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than Rs. 200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum bid lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.
Revision Form	The form used by the Bidder in an issue through Book Building process to modify the quantity of Equity Shares and/or bid price indicates therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which Issues the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Specified Locations	Refer to definition of Broker Centers
Stock Exchanges/ SE	The stock exchanges as disclosed in the Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of the Bids in this Issue (excluding Application from ASBA Bidders)
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the Prospectus
Underwriters	The Book Running Lead Manager(s)
Underwriting Agreement	The agreement dated entered into between the Underwriters and our company.
Working Day	Any day, other than 2nd and 4th Saturday of the month, Sundays or public holidays, on which commercial banks in India are open for business, provided however, with reference to announcement Issue Period, "Working Days" shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are FIPB and the RBI.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("***DIPP***"), issued the Consolidated FDI Policy, which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 28, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the Consolidated 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 Consolidated FDI Policy and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/ RBI.

As per the existing policy of the GoI, OCBs cannot participate in the Issue.

The Equity Shares have not been and will not be registered under the U.S Securities Act of 1933, as amended (U.S. Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. Persons (as defined in Regulation S), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities laws. Accordingly the Equity Shares are being offered and sold only outside the United States in offshore transaction in reliance on Regulation S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sale occur. However the Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION IX: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

CONSTITUTION OF THE COMPANY

1. The Regulations contained in Table 'F' in the First Schedule to the Companies Act, 2013 shall not apply to the Company except in so far as they are embodied in the following Articles, which shall be the regulations for the Management of the Company.

INTERPRETATION CLAUSE

2. The marginal notes hereto shall not affect the construction hereof. In these presents, the following words and expressions shall have the following meanings unless excluded by the subject or context:

   a. 'The Act' or 'The Companies Act' shall mean 'The Companies Act, 2013, its rules and any statutory modifications or reenactments thereof.'

   b. 'The Board' or 'The Board of Directors' means a meeting of the Directors duly called and constituted or as the case may be, the Directors assembled at a Board, or the requisite number of Directors entitled to pass a circular resolution in accordance with these Articles.

   c. 'The Company' or 'This Company' means **PUBLIC LIMITED.**

   d. 'Directors' means the Directors for the time being of the Company.

   e. 'Writing' includes printing, lithograph, typewriting and any other usual substitutes for writing.

   f. 'Members' means members of the Company holding a share or shares of any class.

   g. 'Month' shall mean a calendar month.

   h. 'Paid-up' shall include 'credited as fully paid-up'.

   i. 'Person' shall include any corporation as well as individual.

   j. 'These presents' or 'Regulations' shall mean these Articles of Association as now framed or altered from time to time and shall include the Memorandum where the context so requires.

   k. 'Section' or 'Sec.' means Section of the Act.

   l. Words importing the masculine gender shall include the feminine gender.

   m. Except where the context otherwise requires, words importing the singular shall include the plural and the words importing the plural shall include the singular.

   n. 'Special Resolution' means special resolution as defined by Section 114 in the Act.

   o. 'The Office' means the Registered Office for the time being of the Company.

   p. 'The Register' means the Register of Members to be kept pursuant to Section 88 of the Companies Act, 2013.

   q. 'Proxy' includes Attorney duly constituted under a Power of Attorney.

3. Except as provided by Section 67, no part of funds of the Company shall be employed in the purchase of the shares of the Company, and the Company shall not directly or indirectly and whether by shares, or loans, give, guarantee, the provision of security or otherwise any financial assistance for the purpose of

or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company.

4. The Authorized Share Capital of the Company shall be as prescribed in Clause V of the Memorandum of Association of the Company.

5. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Board who may allot the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of the Act) and at such terms as they may, from time to time, think fit and proper and with the sanction of the Company in General Meeting by a Special Resolution give to any person the option to call for or be allotted shares of any class of the Company, either at par, at a premium or subject as aforesaid at a discount, such option being exercisable at such times and for such consideration as the Board thinks fit unless the Company in General Meeting, by a Special Resolution, otherwise decides. Any offer of further shares shall be deemed to include a right, exercisable by the person to whom the shares are offered, to renounce the shares offered to him in favour of any other person.

   Subject to the provisions of the Act, any redeemable Preference Share, including Cumulative Convertible Preference Share may, with the sanction of an ordinary resolution be issued on the terms that they are, or at the option of the Company are liable to be redeemed or converted on such terms and in such manner as the Company, before the issue of the shares may, by special resolution, determine.

6. The Company in General Meeting, by a Special Resolution, may determine that any share (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or holders of debentures of the Company or not), giving them the option to call or be allotted shares of any class of the Company either at a premium or at par or at a discount, (subject to compliance with the provisions of Section 53) such option being exercisable at such times and for such consideration as may be directed by a Special Resolution at a General Meeting of the Company or in General Meeting and may take any other provisions whatsoever for the issue, allotment or disposal of any shares.

7. The Board may at any time increase the subscribed capital of the Company by issue of new shares out of the unissued part of the Share Capital in the original or subsequently created capital, but subject to Section 62 of the Act, and subject to the following conditions namely:

   I. (a) Such further shares shall be offered to the persons who, at the date of the offer, are holder of the equity shares of the Company in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date.

   (b) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than twenty-one days, from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.

   (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in clause (b) shall contain a statement of this right.

   d) After the expiry of the time specified in the notice aforesaid, or in respect of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as it thinks most beneficial to the Company.

II. The Directors may, with the sanction of the Company in General Meeting by means of a special resolution, offer and allot shares to any person at their discretion by following the provisions of section 62 of the Act and other applicable provisions, if any.

III. Nothing in this Article shall apply to the increase in the subscribed capital of the Company which has been approved by:

(a) A Special Resolution passed by the Company in General Meeting before the issue of the debentures or the raising of the loans, and

(b) The Central Government before the issue of the debentures or raising of the loans or is in conformity with the rules, if any, made by that Government in this behalf.

8. (1) The rights attached to each class of shares (unless otherwise provided by the terms of the issue of the shares of the class) may, subject to the provisions of Section 48 of the Act, be varied with the consent in writing of the holders of not less than three fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a General Meeting of the holders of the shares of that class.

(2) To every such separate General Meeting, the provisions of these Articles relating to General Meeting shall Mutatis Mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-tenth of the issued shares of that class.

Issue of further shares with disproportionate rights

9. Subject to the provisions of the Act, the rights conferred upon the holders of the shares of any class issued with preferred or other rights or not, unless otherwise expressly provided for by the terms of the issue of shares of that class, be deemed to be varied by the creation of further shares ranking paripassu therewith.

Not to issue shares with disproportionate rights

10. The Company shall not issue any shares (not being Preference Shares) which carry voting rights or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders of other shares not being Preference Shares.

Power to pay commission

11. The Company may, at any time, pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any share, debenture or debenture stock of the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, such commission in respect of shares shall be paid or payable out of the capital, the statutory conditions and requirements shall be observed and complied with and the amount or rate of commission shall not exceed five percent of the price at which the shares are issued and in the case of debentures, the rate of commission shall not exceed, two and half percent of the price at which the debentures are issued. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also, on any issue of shares, pay such brokerage as may be lawful.

Liability of joint holders of shares

12. The joint holders of a share or shares shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share or shares.

Trust not recognised

13. Save as otherwise provided by these Articles, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by a statute required, be bound to recognise any equitable, contingent, future or partial interest lien, pledge or charge in any share or (except only by these presents otherwise provided for) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.

Issue other than for cash

14. a. The Board may issue and allot shares in the capital of the Company as payment or part payment for any property sold or goods transferred or machinery or appliances supplied or for services rendered or to be rendered to the Company in or about the formation or promotion of the Company or the acquisition and or conduct of its business and shares may be so allotted as fully paid-up shares, and if so issued, shall be deemed to be fully paid-up shares.

b. As regards all allotments, from time to time made, the Board shall duly comply with Section 39 of the Act.

Acceptance of shares

15. An application signed by or on behalf of the applicant for shares in the Company, followed by an allotment of any share therein, shall be acceptance of the shares within the meaning of these Articles; and every person who thus or otherwise accepts any share and whose name is on the Register shall, for the purpose of these Articles, be a shareholder.

Member' right to share Certificates

16. 1. Every person whose name is entered as a member in the Register shall be entitled to receive without payment:

a. One certificate for all his shares; or

b. Share certificate shall be issued in marketable lots, where the share certificates are issued either for more or less than the marketable lots, sub-division/consolidation into marketable lots shall be done free of charge.

2. The Company shall, within two months after the allotment and within fifteen days after application for registration of the transfer of any share or debenture, complete and have it ready for delivery; the share certificates for all the shares and debentures so allotted or transferred unless the conditions of issue of the said shares otherwise provide.

3. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

4. The certificate of title to shares and duplicates thereof when necessary shall be issued under the seal of the Company and signed by two Directors and the Secretary or authorised official(s) of the Company.

One Certificate for joint holders

17. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate for the same share or shares and the delivery of a certificate for the share or shares to one of several joint holders shall be sufficient delivery to all such holders. Subject as aforesaid,

where more than one share is so held, the joint holders shall be entitled to apply jointly for the issue of several certificates in accordance with Article 20 below.

Renewal of Certificate

18. If a certificate be worn out, defaced, destroyed, or lost or if there is no further space on the back thereof for endorsement of transfer, it shall, if requested, be replaced by a new certificate without any fee, provided however that such new certificate shall not be given except upon delivery of the worn out or defaced or used up certificate, for the purpose of cancellation, or upon proof of destruction or loss, on such terms as to evidence, advertisement and indemnity and the payment of out of pocket expenses as the Board may require in the case of the certificate having been destroyed or lost. Any renewed certificate shall be marked as such in accordance with the provisions of the act in force.

19. For every certificate issued under the last preceding Article, no fee shall be charged by the Company.

Splitting and consolidation of Share Certificate

20. The shares of the Company will be split up/consolidated in the following circumstances:

    (i) At the request of the member/s for split up of shares in marketable lot.

    (ii) At the request of the member/s for consolidation of fraction shares into marketable lot.

Directors may issue new Certificate(s)

21. Where any share under the powers in that behalf herein contained are sold by the Directors and the certificate thereof has not been delivered up to the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they think fit from the certificate not so delivered up.

Person by whom installments are payable

22. If, by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment, shall, when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative or representatives, if any.

LIEN

Company's lien on shares

23. The Company shall have first and paramount lien upon all shares other than fully paid-up shares registered in the name of any member, either or jointly with any other person, and upon the proceeds or sale thereof for all moneys called or payable at a fixed time in respect of such shares and such lien shall extend to all dividends, interest right and bonuses from time to time declared in respect of such shares. The registration of transfer of shares and/or debentures shall not operate as a waiver of the Company's lien, if any, on such shares and/or debentures, unless otherwise agreed by the Board. The Directors, at any time, may declare any share to be exempt, wholly or partially from the provisions of this Article.

As to enforcing lien by sale

24. For the purpose of enforcing such lien, the Board of Directors may sell the shares subject thereto in such manner as it thinks fit, but no sale shall be made until the expiration of 14 days after a notice in writing stating and demanding payment of such amount in respect of which the lien exists has been given to the registered holders of the shares for the time being or to the person entitled to the shares by reason of the death of insolvency of the register holder.

Authority to transfer

25. a. To give effect to such sale, the Board of Directors may authorise any person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer.

b. The purchaser shall not be bound to see the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

Application of proceeds of sale

26. The net proceeds of any such sale shall be applied in or towards satisfaction of the said moneys due from the member and the balance, if any, shall be paid to him or the person, if any, entitled by transmission to the shares on the date of sale.

CALLS ON SHARES

Calls

27. Subject to the provisions of Section 49 of the Act, the Board of Directors may, from time to time, make such calls as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times, and the member shall pay the amount of every call so made on him to the person and at the time and place appointed by the Board of Directors.

When call deemed to have been made

28. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed. The Board of Directors making a call may by resolution determine that the call shall be deemed to be made on a date subsequent to the date of the resolution, and in the absence of such a provision, a call shall be deemed to have been made on the same date as that of the resolution of the Board of Directors making such calls.

Length of Notice of call

29. Not less than thirty day's notice of any call shall be given specifying the time and place of payment provided that before the time for payment of such call, the Directors may, by notice in writing to the members, extend the time for payment thereof.

Sum payable in fixed instalments to be deemed calls

30. If by the terms of issue of any share or otherwise, any amount is made payable at any fixed times, or by instalments at fixed time, whether on account of the share or by way of premium, every such amount or instalment shall be payable as if it were a call duly made by the Directors, on which due notice had been given, and all the provisions herein contained in respect of calls shall relate and apply to such amount or instalment accordingly.

When interest on call or instalment payable

31. If the sum payable in respect of any call or, instalment be not paid on or before the day appointed for payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the instalment shall fall due, shall pay interest for the same at the rate of 12 percent per annum, from the day appointed for the payment thereof to the time of the actual payment or at such lower rate as the Directors may determine. The Board of Directors shall also be at liberty to waive payment of that interest wholly or in part.

Sums payable at fixed times to be treated as calls

32. The provisions of these Articles as to payment of interest shall apply in the case of non-payment of any such sum which by the terms of issue of a share, become payable at a fixed time, whether on account of the amount of the share or by way of premium, as if the same had become payable by virtue of a call duly made and notified.

Payment of call in advance

33. The Board of Directors, may, if it thinks fit, receive from any member willing to advance all of or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any part of the moneys so advance may (until the same would, but for such advance become presently payable) pay interest at such rate as the Board of Directors may decide but shall not in respect of such advances confer a right to the dividend or participate in profits.

Partial payment not to preclude forfeiture

34. Neither a judgement nor a decree in favour of the Company for calls or other moneys due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from, time to time, be due from any member in respect of any share, either by way of principal or interest nor any indulgency granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein after provided.

FORFEITURE OF SHARES

If call or instalment not paid, notice may be given

35. If a member fails to pay any call or instalment of a call on the day appointed for the payment not paid thereof, the Board of Directors may during such time as any part of such call or instalment remains unpaid serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest, which may have accrued. The Board may accept in the name and for the benefit of the Company and upon such terms and conditions as may be agreed upon, the surrender of any share liable to forfeiture and so far as the law permits of any other share.

Evidence action by Company against shareholders

36. On the trial or hearing of any action or suit brought by the Company against any shareholder or his representative to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of shareholders of the Company as a holder, or one of the holders of the number of shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who made any call nor that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Form of Notice

37. The notice shall name a further day (not earlier than the expiration 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 shall state that, in the event of non-payment on or before the day appointed, the shares in respect of which the call was made will be liable to be forfeited.

If notice not complied with, shares may be forfeited

38. If the requirements of any such notice as, aforementioned 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. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

Notice after forfeiture

39. When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture shall not be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

Boards' right to dispose of forfeited shares or cancellation of forfeiture

40. A forfeited or surrendered share may be sold or otherwise disposed off on such terms and in such manner as the Board may think fit, and at any time before such a sale or disposal, the forfeiture may be cancelled on such terms as the Board may think fit.

Liability after forfeiture

41. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding such forfeiture, remain liable to pay and shall forthwith pay the Company all moneys, which at the date of forfeiture is payable by him to the Company in respect of the share, whether such claim be barred by limitation on the date of the forfeiture or not, but his liability shall cease if and when the Company received payment in full of all such moneys due in respect of the shares.

Effect of forfeiture

42. The forfeiture of a share shall involve in the extinction of all interest in and also of all claims and demands against the Company in respect of the shares and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.

Evidence of forfeiture

43. A duly verified declaration in writing that the declarant is a Director 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, and that declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposal thereof, shall constitute a good title to the share and the person to whom the share is sold or disposed of shall be registered as the holder of the share and 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.

Non-payment of sums payable at fixed times

44. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which by terms of issue of a share, becomes payable at a fixed time, whether, on account of the amount of the share or by way of premium or otherwise as if the same had been payable by virtue of a call duly made and notified.

Validity of such sales

45. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Directors may cause the purchaser's name to be entered in the register in respect of the shares sold and may issue fresh certificate in the name of such a purchaser. The purchaser shall not be bound to

see to the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

TRANSFER AND TRANSMISSION OF SHARES

Transfer

46. a. The instrument of transfer of any share in the Company shall be executed both by the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the register of members in respect thereof.

b. The Board shall not register any transfer of shares unless a proper instrument of transfer duly stamped and executed by the transferor and the transferee has been delivered to the Company along with the certificate and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.

Provided that where it is proved to the satisfaction of the Board that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may, if the Board thinks fit, on an application on such terms in writing made by the transferee and bearing the stamp required for an instrument of transfer, register the transfer on such terms as to indemnity as the Board may think fit.

c. An application for the registration of the transfer of any share or shares may be made either by the transferor or the transferee, provided that where such application is made by the transferor, no registration shall, in the case of partly paid shares, be effected unless the Company gives notice of the application to the transferee. The Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the register the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.

d. For the purpose of Sub-clause (c), notice to the transferee shall be deemed to have been duly given if despatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be delivered in the ordinary course of post.

e. Nothing in Sub-clause (d) shall prejudice any power of the Board to register as a shareholder any person to whom the right to any share has been transmitted by operation of law.

Form of transfer

47. Shares in the Company shall be transferred by an instrument in writing in such common form as specified in Section 56 of the Companies Act.

Board's right to refuse to register

48. a. The Board, may, at its absolute discretion and without assigning any reason, decline to register

1. The transfer of any share, whether fully paid or not, to a person of whom it do not approve or

2. Any transfer or transmission of shares on which the Company has a lien

a. Provided that registration of any transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on the shares.

b. If the Board refuses to register any transfer or transmission of right, it shall, within fifteen days from the date of which the instrument or transfer of the intimation of such transmission was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be.

c. In case of such refusal by the Board, the decision of the Board shall be subject to the right of appeal conferred by Section 58.

d. The provisions of this clause shall apply to transfers of stock also.

Further right of Board of Directors to refuse to register

49. a. The Board may, at its discretion, decline to recognise or accept instrument of transfer of shares unless the instrument of transfer is in respect of only one class of shares.

b. No fee shall be charged by the Company for registration of transfers or for effecting transmission on shares on the death of any member or for registering any letters of probate, letters of administration and similar other documents.

c. Notwithstanding anything contained in Sub-articles (b) and (c) of Article 46, the Board may not accept applications for sub-division or consolidation of shares into denominations of less than hundred (100) except when such a sub-division or consolidation is required to be made to comply with a statutory order or an order of a competent Court of Law or a request from a member to convert his holding of odd lots, subject however, to verification by the Company.

d. The Directors may not accept applications for transfer of less than 100 equity shares of the Company, provided however, that these restrictions shall not apply to:

i. Transfer of equity shares made in pursuance of a statutory order or an order of competent court of law.

ii. Transfer of the entire equity shares by an existing equity shareholder of the Company holding less than hundred (100) equity shares by a single transfer to joint names.

iii. Transfer of more than hundred (100) equity shares in favour of the same transferee under one or more transfer deeds, one or more of them relating to transfer of less than hundred (100) equity shares.

iv. Transfer of equity shares held by a member which are less than hundred (100) but which have been allotted to him by the Company as a result of Bonus and/or Rights shares or any shares resulting from Conversion of Debentures.

v. The Board of Directors be authorised not to accept applications for sub-division or consolidation of shares into denominations of less than hundred (100) except when such sub-division or consolidation is required to be made to comply with a statutory order of a Court of Law or a request from a member to convert his holding of odd lots of shares into transferable/marketable lots, subject, however, to verification by the Company.

Provided that where a member is holding shares in lots higher than the transferable limit of trading and transfers in lots of transferable unit, the residual shares shall be permitted to stand in the name of such transferor not withstanding that the residual holding shall be below hundred (100).

Rights to shares on death of a member for transmission

50. a. In the event of death of any one or more of several joint holders, the survivor, or survivors, alone shall be entitled to be recognised as having title to the shares.

b. In the event of death of any sole holder or of the death of last surviving holder, the executors or administrators of such holder or other person legally entitled to the shares shall be entitled to be recognised by the Company as having title to the shares of the deceased.

Provided that on production of such evidence as to title and on such indemnity or other terms as the Board may deem sufficient, any person may be recognised as having title to the shares as heir or legal representative of the deceased shareholder.

Provided further that if the deceased shareholder was a member of a Hindu Joint Family, the Board, on being satisfied to that effect and on being satisfied that the shares standing in his name in fact belonged to the joint family, may recognise the survivors of Karta thereof as having titles to the shares registered in the name of such member.

Provided further that in any case, it shall be lawful for the Board in its absolute discretion, to dispense with the production of probate or letters of administration or other legal representation upon such evidence and such terms as to indemnity or otherwise as the Board may deem just.

Rights and liabilities of person

51. 1. 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 be required by the Board and subject as herein, after provided elect either

a. to be registered himself as a holder of the share or

b. to make such transfer of the share as the deceased or insolvent member could have made.

2. 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.

Notice by such a person of his election

52. a. If the person so becoming entitled shall elect to be registered as holder of the shares himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

b. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

c. 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 of transfer had been signed by that member.

No transfer to infant, etc.

53. No transfer shall be made to an infant or a person of unsound mind.

Endorsement of transfer and issue of certificate

54. Every endorsement upon the certificate of any share in favour of any transferee shall be signed by the Secretary or by some person for the time being duly authorised by the Board in that behalf.

Custody of transfer

55. The instrument of transfer shall, after registration, remain in the custody of the Company. The Board may cause to be destroyed all transfer deeds lying with the Company for a period of ten years or more.

Register of members

56. a. The Company shall keep a book to be called the Register of Members, and therein shall be entered the particulars of every transfer or transmission of any share and all other particulars of shares required by the Act to be entered in such Register.

Closure of Register of members

b. The Board may, after giving not less than seven days previous notice by advertisement in some newspapers circulating in the district in which the Registered Office of the Company is situated, close the Register of Members or the Register of Debenture Holders for any period or periods not exceeding in the aggregate forty-five days in each year but not exceeding thirty days at any one time.

When instruments of transfer to be retained

c. All instruments of transfer which shall be registered shall be retained by the Company but any instrument of transfer which the Directors may decline to register shall be returned to the person depositing the same.

Company's right to register transfer by apparent legal owner

57. The Company shall incur no liability or responsibility whatever in consequence of their registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares not withstanding that the Company may have had notice of such equitable right or title or interest prohibiting registration of such transfer and may have entered such notice referred thereto in any book of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in the books of the Company; but the Company shall nevertheless be at liberty to have regard and to attend to any such notice and give effect thereto, if the Board shall so think fit.

ALTERATION OF CAPITAL

Alteration and consolidation, sub-division and cancellation of shares

58. a. The Company may, from time to time, in accordance with the provisions of the Act, alter by Ordinary Resolution, the conditions of the Memorandum of Association as follows:

1. increase its share capital by such amount as it thinks expedient by issuing new shares;

2. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

3. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of the denomination;

4. sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division on the proportion between the amount

paid and the amount, if any, unpaid, on each reduced share shall be the same as it was in the case of the shares from which the reduced share is derived.

5. a. Cancel shares which, at the date of passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

b. The resolution whereby any share is sub-divided may determined that, as between the holder of the shares resulting from such sub-division, one or more such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others.

6. Classify and reclassify its share capital from the shares on one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner as may for the time being be permitted under legislative provisions for the time being in force in that behalf.

Reduction of capital, etc. by Company

59. The Company may, by Special Resolution, reduce in any manner with and subject to any incident authorised and consent as required by law:

a. its share capital;

b. any capital redemption reserve account; or

c. any share premium account.

SURRENDER OF SHARES

Surrender of shares

60. The Directors may, subject to the provisions of the Act, accept the surrender of any share by way of compromise of any question as to the holder being properly registered in respect thereof.

MODIFICATION OF RIGHTS

Power of modify shares

61. The rights and privileges attached to each class of shares may be modified, commuted, affected, abrogated in the manner provided in Section 48 of the Act.

SET OFF OF MONEY DUE TO SHAREHOLDERS

Set-off of moneys due to shareholders

62. Any money due from the Company to a shareholder may, without the consent of such shareholder, be applied by the Company in or towards payment of any money due from him, either alone or jointly with any other person, to the Company in respect of calls.

CONVERSION OF SHARES INTO STOCK

Conversion of shares

63. The Company may, by Ordinary Resolution, convert all or any fully paid share(s) of any denomination into stock and vice versa.

Transfer of stock

64. 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.

Right of stockholders

65. The holders of the stock shall, according to the amount of the 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 its 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.

Applicability of regulations to stock and stockholders

66. Such of the regulations contained in these presents, other than those relating to share warrants as are applicable to paid-up shares shall apply to stock and the words shares and shareholder in these presents shall include stock and stockholder respectively.

67. **DEMATERIALISATION OF SECURITIES**

a) Definitions

For the purpose of this Article:

'Beneficial Owner' means a person or persons whose name is recorded as such with a depository;

'SEBI' means the Securities and Exchange Board of India;

'Depository' means a company formed and registered under the Companies Act, 2013, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992, and

'Security' means such security as may be specified by SEBI from time to time.

b) Dematerialisation of securities

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or rematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

c) Options for investors

Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person, who is the beneficial owner of the securities, can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities. If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

d) Securities in depositories to be in fungible form

All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 89 and 186 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

e) Rights of depositories and beneficial owners:

(i) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

(ii) Save as otherwise provided in (a) above, the depository, as the registered owner of the securities, shall not have any voting rights or any other rights in respect of the securities held by it.

(iii) 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 the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

f) Service of documents

Notwithstanding anything in the Act or these Articles to the contrary, 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 discs.

g) Transfer of securities

Nothing contained in Section 56 of the Act or these Articles shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

h) Allotment of securities dealt with in a depository

Notwithstanding anything in the Act or these Articles, where securities are dealt with in a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

i) Distinctive numbers of securities held in a depository

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers of securities issued by the Company shall apply to securities held in a depository.

j) 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 purposes of these Articles. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or Country.

k) Company to recognise the rights of registered holders as also the beneficial owners in the records of the depository

Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share, as also the beneficial owner of the

shares in records of the depository as the absolute owner thereof as regards receipt of dividends or bonus or services of notices and all or any other matters connected with the Company, and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person, whether or not it shall have express or implied notice thereof.

l) The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Section 88 and other applicable provisions of the Companies Act, 2013 and the Depositories Act, 1996 with the details of Shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media.

GENERAL MEETINGS

Annual General Meeting

68. The Company shall in each year hold in addition to the other meetings a general meeting which shall be styled as its Annual General Meeting at intervals and in accordance with the provisions of Section 96 of the Act.

Extraordinary General Meeting

69. 1. Extraordinary General Meetings may be held either at the Registered Office of the Company or at such convenient place as the Board or the Managing Director (subject to any directions of the Board) may deem fit.

Right to summon Extraordinary General Meeting

2. The Chairman or Vice Chairman may, whenever they think fit, and shall if so directed by the Board, convene an Extraordinary General Meeting at such time and place as may be determined.

Extraordinary Meeting by requisition

70. a. The Board shall, on the requisition of such number of members of the Company as is specified below, proceed duly to call an Extraordinary General Meeting of the Company and comply with the provisions of the Act in regard to meetings on requisition.

b. The requisition shall set our matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company or sent to the Company by Registered Post addressed to the Company at its Registered Office.

c. The requisition may consist of several documents in like forms, each signed by one or more requisitionists.

d. The number of members entitled to requisition a meeting in regard to any matter shall be such number of them as hold, on the date of the deposit of the requisition, not less than 1/10th of such of the paid-up capital of the Company as at the date carries the right of the voting in regard to the matter set out in the requisition.

e. If the Board does not, within 21 days from the date of receipt of deposit of the requisition with regard to any matter, proceed duly to call a meeting for the consideration of these matters on a date not later than 45 days from the date of deposit of the requisition, the meeting may be called

by the requisitionists themselves or such of the requisitionists, as represent either majority in the value of the paid-up share capital held by them or of not less than one tenth of such paid-up capital of the Company as is referred to in Sub-clause (d) above, whichever is less.

Length of notice for calling meeting

71. A General Meeting of the Company may be called by giving not less than twenty one days notice in writing, provided that a General Meeting may be called after giving shorter notice if consent thereto is accorded by the members holding not less than 95 per cent of the part of the paid- up share capital which gives the right to vote on the matters to be considered at the meeting.

Provided that where any member of the Company is entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members, shall be taken into account for purpose of this clause in respect of the former resolution or resolutions and not in respect of the latter.

Accidental omission to give notice not to invalidate meeting

72. The accidental omission is to give notice of any meeting to or the non-receipt of any such notice by any of the members shall not invalidate the proceedings of any resolution passed at such meeting.

Special business and statement to be annexed

73. All business shall be deemed special that is transacted at an Extraordinary Meeting and also that is transacted at an Annual Meeting with the exception of declaration of a dividend, the consideration of financial statements and the reports of the Directors and Auditors thereon, the election of the Directors in the place of those retiring, and the appointment of and the fixing of the remuneration of Auditors. Where any item of business to be transacted at the meeting is deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business including in particular the nature of the concern or interest, if any, therein, of every Director and the Manager, if any, every other Key Managerial Personnel and the relatives of Directors, Manager and other Key Managerial Personnel. Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

Where any item of special business to be transacted at a meeting of the company relates to or affects any other company, the extent of shareholding interest in that other company of every promoter, director, manager, if any, and of every other key managerial personnel of the first mentioned company shall, if the extent of such shareholding is not less than two per cent of the paid-up share capital of that company, also be set out in the statement.

Quorum

74. The quorum requirements for general meetings shall be as under and no business shall be transacted at any General Meeting unless the requisite quorum is present when the meeting proceeds to business:

Number of members upto 1000: 5 members personally present

Number of members 1000-5000: 15 members personally present

Number of members more than 5000: 30 members personally present

If quorum not present, when meeting to be dissolved and when to be adjourned

75. If within half an hour from the time appointed for the meeting, a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week and at the same time and place or to such other day and to be at such other

time and place as the Board may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.

Chairman of General Meeting

76. The Chairman of the Board of Directors shall preside at every General Meeting of the Company and if he is not present within 15 minutes after the time appointed for holding the meeting, or if he is unwilling to act as Chairman, the Vice Chairman of the Board of Directors shall preside over the General Meeting of the Company.

When Chairman is absent

77. If there is no such Chairman, or Vice Chairman or if at any General Meeting, either the Chairman or Vice Chairman is not present within fifteen minutes after the time appointed for holding the meeting or if they are unwilling to take the chair, the members present shall choose one of their members to be the Chairman.

Adjournment of meeting

78. The Chairman may, with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn that meeting from time to time from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

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. Save as aforesaid, it shall not be necessary to give any notice of adjournment or of the business to be transacted at an adjourned meeting.

Questions at General Meeting how decided

79. At a General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands/result of electronic voting as per the provisions of Section 108, unless a poll is (before or on the declaration of the result of the show of hands/ electronic voting) demanded in accordance with the provisions of Section 109. Unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands/ electronic voting, been carried unanimously or by a particular majority or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number of proportion of the votes recorded in favour of or against that resolution.

Casting vote

80. In the case of an equality of votes, the Chairman shall, whether on a show of hands, or electronically or on a poll, as the case may be, have a casting vote in addition to the vote or votes to which he may be entitled as a member.

Taking of poll

81. If a poll is duly demanded in accordance with the provisions of Section 109, it shall be taken in such manner as the Chairman, subject to the provisions of Section 109 of the Act, may direct, and the results of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

In what cases poll taken without adjournment

82. A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. Where a poll is demanded on any other question, adjournment shall be taken at such time not being later than forty-eight hours from the time which demand was made, as the Chairman may direct.

Votes

83. a. Every member of the Company holding Equity Share(s), shall have a right to vote in respect of such capital on every resolution placed before the Company. On a show of hands, every such member present shall have one vote and shall be entitled to vote in person or by proxy and his voting right on a poll or on e-voting shall be in proportion to his share of the paid-up Equity Capital of the Company.

b. Every member holding any Preference Share shall in respect of such shares have a right to vote only on resolutions which directly affect the rights attached to the Preference Shares and subject as aforesaid, every such member shall in respect of such capital be entitled to vote in person or by proxy, if the dividend due on such preference shares or any part of such dividend has remained unpaid in respect of an aggregate period of not less than two years preceding the date of the meeting. Such dividend shall be deemed to be due on Preference Shares in respect of any period, whether a dividend has been declared by the Company for such period or not, on the day immediately following such period.

c. Whenever the holder of a Preference Share has a right to vote on any resolution in accordance with the provisions of this article, his voting rights on a poll shall be in the same proportion as the capital paid-up in respect of such Preference Shares bear to the total equity paid-up capital of the Company.

Business may proceed notwithstanding demand for poll

84. A demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than that on which a poll has been demanded; The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

Joint holders

85. In the case of joint holders, the vote of the first named of such joint holders who tender a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

Member of unsound mind

86. 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.

No member entitled to vote while call due to Company

87. No member shall be entitled to vote at a General Meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

Proxies permitted on polls

88. On a poll, votes may be given either personally or by proxy provided that no Company shall vote by proxy as long as resolution of its Directors in accordance with provisions of Section 113 is in force.

Instrument of proxy

89. a. The instrument appointing a proxy shall be in writing under the hand of the appointed or of the attorney duly authorised in writing, or if the appointer is a Corporation, either under the common seal or under the hand of an officer or attorney so authorised. Any person may act as a proxy whether he is a member or not.

b. A body corporate (whether a company within the meaning of this Act or not) may:

1. If it is a member of the Company by resolution of its Board of Directors or other governing body, authorise such persons as it thinks fit to act as its representatives at any meeting of the Company, or at any meeting of any class of members of the Company;

2. If it is a creditor (including a holder of debentures) of the Company, by resolution of its Directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of any creditors of the Company held in pursuance of this Act or of any rules made thereunder, or in pursuance of the provisions contained in any debenture or trust deed, as the case may be.

c. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents, as if he were personally the member, creditor or debenture holder.

Instrument of proxy to be deposited at the office

90. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notary certified copy of that power of authority shall be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote, and in default, the instrument of proxy shall not be treated as valid.

Validity of vote by proxy

91. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the appointer, or revocation of the proxy, or transfer of the share in respect of which the vote is given provided no intimation in writing of the death, revocation or transfer shall have been received at the Registered Office of the Company before the commencement of the meeting or adjourned meeting at which the proxy is used.

Form of proxy

92. Any instrument appointing a proxy may be a two way proxy form to enable the shareholders to vote for or against any resolution at their discretion. The instrument of proxy shall be in the prescribed form as given in Form MGT-11.

DIRECTORS

Number of Directors

93. Unless otherwise determined by a General Meeting, the number of Directors shall not be less than 3 and not more than 15. The first directors of the Company are –

1. **VAIBHAV DIPAK SHAH**
2. **ROHIT LAXMAN KHADE**

94. Subject to the provisions of the Act as may be applicable, the Board may appoint any person as a Managing Director to perform such functions as the Board may decide from time to time. Such Director shall be a Member of the Board.

Qualification of Directors

95. Any person, whether a member of the Company or not, may be appointed as a Director. No qualification by way of holding shares in the capital of the Company shall be required of any Director.

Director's remuneration

96. a. Until otherwise determined by the Company in General Meeting, each Director shall be entitled to receive and be paid out of the funds of the Company a fee for each meeting of the Board of Directors or any committee thereof, attended by him as may be fixed by the Board of Directors from time to time subject to the provisions of Section 197 of the Act, and the Rules made thereunder. For the purpose of any resolution in this regard, none of the Directors shall be deemed to be interested in the subject matter of the resolution. The Directors shall also be entitled to be paid their reasonable travelling and hotel and other expenses incurred in consequence of their attendance at meetings of the Board or of any committee of the Board or otherwise in the execution of their duties as Directors either in India or elsewhere. The Managing/Whole-time Director of the Company who is a full time employee, drawing remuneration will not be paid any fee for attending Board Meetings.

b. Subject to the provisions of the Act, the Directors may, with the sanction of a Special Resolution passed in the General Meeting and such sanction, if any, of the Government of India as may be required under the Companies Act, sanction and pay to any or all the Directors such remuneration for their services as Directors or otherwise and for such period and on such terms as they may deem fit.

c. Subject to the provisions of the Act, the Company in General Meeting may by Special Resolution sanction and pay to the Director in addition to the said fees set out in sub-clause (a) above, a remuneration not exceeding one per cent (1%) of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act. The said amount of remuneration so calculated shall be divided equally between all the Directors of the Company who held office as Directors at any time during the year of account in respect of which such remuneration is paid or during any portion of such year irrespective of the length of the period for which they held office respectively as such Directors.

d. Subject to the provisions of Section 188 of the Companies Act, and subject to such sanction of the Government of India, as may be required under the Companies Act, if any Director shall be appointed to advise the Directors as an expert or be called upon to perform extra services or make special exertions for any of the purposes of the Company, the Directors may pay to such Director such special remuneration as they think fit; such remuneration may be in the form of either salary, commission, or lump sum and may either be in addition to or in substitution of the remuneration specified in clause (a) of the Article.

Directors may act notwithstanding vacancy

97. The continuing Directors may act not withstanding any vacancy in their body, but subject to the provisions contained in Article 119 below:

Chairman or Vice-chairman of the Board

98. a. Notwithstanding anything contained in these Articles and pursuant to provisions of the Act, Managing Director of the company will act as Chairman of the board and Deputy Managing Director will act as Vice chairman of the board.

b. Subject to the provisions of the Act, the Chairman and the Vice Chairman may be paid such remuneration for their services as Chairman and Vice Chairman respectively, and such reasonable expenses including expenses connected with travel, secretarial service and entertainment, as may be decided by the Board of Directors from time to time.

Casual vacancy

99. If the office of any Director becomes vacant before the expiry of the period of his Directorship in normal course, the resulting casual vacancy may be filled by the Board at a Meeting of the Board subject to Section 161 of the Act. Any person so appointed shall hold office only upto the date which the Director in whose place he is appointed would have held office if the vacancy had not occurred as aforesaid.

VACATION OF OFFICE BY DIRECTORS

Vacation of office by Directors

100. The office of a Director shall be vacated if:

1. he is found to be unsound mind by a Court of competent jurisdiction;

2. he applies to be adjudicated as an insolvent;

3. he is an undischarged insolvent;

4. he is convicted by a Court of any offence whether involving moral turpitude or otherwise and is sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence;

5. he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call;

6. an order disqualifying him for appointment as Director has been passed by court or tribunal and the order is in force.

7. he has not complied with Subsection (3) of Section 152

8. he has been convicted of the offence dealing with related party transaction under section 188 at any time during the preceding five years.

9. he absents himself from all meetings of the Board for a continuous period of twelve months, with or without seeking leave of absence from the Board;

10. he acts in contravention of Section 184 of the Act and fails to disclose his interest in a contract in contravention of section 184.

11. he becomes disqualified by an order of a court or the Tribunal

12. he is removed in pursuance of the provisions of the Act,

13. having been appointed a Director by virtue of holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company;

notwithstanding anything in Clause (4), (6) and (8) aforesaid, the disqualification referred to in those clauses shall not take effect:

1. for thirty days from the date of the adjudication, sentence or order;

2. where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed off; or

3. where within the seven days as aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed off.

Alternate Directors

101. (a) The Board may appoint an Alternate Director to act for a Director hereinafter called in this clause "the Original Director" during his absence for a period of not less than 3 months from India.

(b) An Alternate Director appointed as aforesaid shall vacate office if and when the Original Director returns to India.

Independent Directors

(c) (i) The Directors may appoint such number of Independent Directors as are required under Section 149 of the Companies Act, 2013.

(ii) Independent directors shall possess such qualification as required under Section 149 of the companies Act, 2013.

(iii) Independent Director shall be appointed for such period as prescribed under relevant provisions of the companies Act, 2013 and shall not be liable to retire by rotation.

Women Director

(d) The Directors shall appoint one women director as per the requirements of section 149 of the Act.

Key Managerial Personnel

(e) 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 thinks fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of are solution of the Board;

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

(iii) The Managing Director shall act as the Chairperson of the Company for all purposes subject to the provisions contained in the Act and these articles.

Additional Directors

102. The Directors may, from time to time, appoint a person as an Additional Director provided that the number of Directors and Additional Directors together shall not exceed the maximum number of

Directors fixed under Article 93 above. Any person so appointed as an Additional Director shall hold office upto the date of the next Annual General Meeting of the Company.

Proportion of retirement by rotation

a. The proportion of directors to retire by rotation shall be as per the provisions of Section 152 of the Act.

Debenture

103. Any trust deed for securing debentures or debenture-stocks may, if so arranged, provide for the appointment, from time to time, by the Trustees thereof or by the holders of debentures or debenture-stocks, of some person to be a Director of the Company and may empower such Trustees, holder of debentures or debenture-stocks, from time to time, to remove and re-appoint any Director so appointed. The Director appointed under this Article is herein referred to as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any other provisions herein contained.

Corporation/Nominee Director

104. a. Notwithstanding anything to the contrary contained in the Articles, so long as any moneys remain owing by the Company the any finance corporation or credit corporation or body, (herein after in this Article referred to as "The Corporation") out of any loans granted by them to the Company or as long as any liability of the Company arising out of any guarantee furnished by the Corporation, on behalf of the Company remains defaulted, or the Company fails to meet its obligations to pay interest and/or installments, the Corporation shall have right to appoint from time to time any person or person as a Director or Directors (which Director or Directors is/are hereinafter referred to as "Nominee Director(s)") on the Board of the Company and to remove from such office any person so appointed, any person or persons in his or their place(s).

b. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s as long as such default continues. Such Nominee Director/s shall not be required to hold any share qualification in the Company, and such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s appointed shall hold the said office as long as any moneys remain owing by the Company to the Corporation or the liability of the Company arising out of the guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation are paid off or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation.

The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, and of the Meeting of the Committee of which the Nominee Director/s is/are member/s.

The Corporation shall also be entitled to receive all such notices. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Director/s of the Company are entitled, but if any other fee, commission, monies or remuneration in any form is payable to the Director/s of the Company, the fee, commission, monies and remuneration in relation to such

Nominee Director/s shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment to Directorship shall also be paid or reimbursed by the Company to the Corporation or, as the case may be, to such Nominee Director/s.

Provided that if any such Nominee Director/s is an officer of the Corporation, the sitting fees, in relation to such Nominee Director/s shall so accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.

c. The Corporation may at any time and from time to time remove any such Corporation Director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other person as a Corporation Director in his place. Such appointment or removal shall be made in writing signed by the Chairman or Joint Chairman of the Corporation or any person and shall be delivered to the Company at its registered office. It is clarified that every Corporation entitled to appoint a Director under this Article may appoint such number of persons as Directors as may be authorised by the Directors of the Company, subject to Section 152 of the Act and so that the number does not exceed 1/3 of the maximum fixed under Article 93.

Disclosure of interest of Directors

105. a. Subject to the provisions of the Act, the Directors shall not be disqualified by reason of their office as such from contracting with the Company either as vendor, purchaser, lender, agent, broker, or otherwise, nor shall any such contract or any contract or arrangement entered into by on behalf of the Company with any Director or with any company or partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established but the nature of the interest must be disclosed by the Director at the meeting of the Board at which the contract or arrangements is determined or if the interest then exists in any other case, at the first meeting of the Board after the acquisition of the interest.

Provided nevertheless that no Director shall vote as a Director in respect of any contract or arrangement in which he is so interested as aforesaid or take part in the proceedings thereat and he shall not be counted for the purpose of ascertaining whether there is quorum of Directors present. This provision shall not apply to any contract by or on behalf of the Company to indemnify the Directors or any of them against any loss they may suffer by becoming or being sureties for the Company.

b. A Director may be or become a Director of any company promoted by this Company or in which this Company may be interested as vendor, shareholder or otherwise and no such Director shall be accountable to the Company for any benefits received as a Director or member of such company.

Rights of Directors

106. Except as otherwise provided by these Articles and subject to the provisions of the Act, all the Directors of the Company shall have in all matters equal rights and privileges, and be subject to equal obligations and duties in respect of the affairs of the Company.

Directors to comply with Section 184

107. Notwithstanding anything contained in these presents, any Director contracting with the Company shall comply with the provisions of Section 184 of the Companies Act, 2013.

Directors power of contract with Company

108. Subject to the limitations prescribed in the Companies Act, 2013, the Directors shall be entitled to contract with the Company and no Director shall be disqualified by having contracted with the Company as aforesaid.

ROTATION OF DIRECTORS

Rotation and retirement of Directors

109. At every annual general meeting, two-third of the Directors shall retire by rotation in accordance with provisions of Section 152 of the Act.

Retiring Directors eligible for re-election

110. A retiring Director shall be eligible for re-election and the Company at the General Meeting at which a Director retires in the manner aforesaid may fill up vacated office by electing a person thereto.

Which Directors to retire

111. The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who become Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot.

Retiring Directors to remain in office till successors are appointed

112. Subject to Section 152 of the Act, if at any meeting at which an election of Directors ought to take place, the place of the vacating or deceased Directors is not filled up and the meeting has not expressly resolved not to fill up or appoint the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a holiday at the same time, place, and if at the adjourned meeting the place of vacating Directors is not filled up and the meeting has also not expressly resolved not to fill up the vacancy, then the vacating Directors or such of them as have not had their places filled up shall be deemed to have been reappointed at the adjourned meeting.

Power of General Meeting to increase or reduce number of Directors

113. Subject to the provisions of Sections 149, 151 and 152 the Company in General Meeting may increase or reduce the number of Directors subject to the limits set out in Article 93 and may also determine in what rotation the increased or reduced number is to retire.

Power to remove Directors by ordinary resolution

114. Subject to provisions of Section 169 the Company, by Ordinary Resolution, may at any time remove any Director except Government Directors before the expiry of his period of office, and may by Ordinary Resolution appoint another person in his place. The person so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforementioned. A Director so removed from office shall not be re-appointed as a Director by the Board of Directors. Special Notice shall be required of any resolution to remove a Director under this Article, or to appoint somebody instead of the Director at the meeting at which he is removed.

Rights of persons other than retiring Directors to stand for Directorships

115. Subject to the provisions of Section 160 of the Act, a person not being a retiring Director shall be eligible for appointment to the office of a Director at any general meeting if he or some other member intending to propose him as a Director has not less than fourteen days before the meeting, left at the office of the

Company a notice in writing under his hand signifying his candidature for the office of the Director, or the intention of such member to propose him as a candidate for that office, as the case may be "along with a deposit of such sum as may be prescribed by the Act or the Central Government from time to time which shall be refunded to such person or as the case may be, to such member, if the person succeeds in getting elected as a Director or gets more than 25% of total valid votes cast either on show of hands or electronicaly or on poll on such resolution".

Register of Directors and KMP and their shareholding

116. The Company shall keep at its Registered Office a register containing the addresses and occupation and the other particulars as required by Section 170 of the Act of its Directors and Key Managerial Personnel and shall send to the Registrar of Companies returns as required by the Act.

Business to be carried on

117. The business of the Company shall be carried on by the Board of Directors.

Meeting of the Board

118. The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings, as it thinks fit, provided that a meeting of the Board shall be held at least once in every one hundred and twenty days; and at least four such meetings shall be held in every year.

Director may summon meeting

119. A Director may at any time request the Secretary to convene a meeting of the Directors and seven days notice of meeting of directors shall be given to every director and such notice shall be sent by hand delivery or by post or by electronic means.

Question how decided

120. a. Save as otherwise expressly provided in the Act, a meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board.

b. In case of an equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a Director.

Right of continuing Directors when there is no quorum

121. The continuing Directors may act notwithstanding any vacancy in the Board, but if and as long as their number if reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or for summoning a General Meeting of the Company and for no other purpose.

Quorum

122. The quorum for a meeting of the Board shall be one third of its total strength (any fraction contained in that onethird being rounded off as one) or two Directors whichever is higher; provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of Directors who are not interested present at the meeting being not less than two shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or

meeting, that is to say, the total strength of the Board after deducting therefrom the number of Directors, if any, whose places are vacant at the time.

Election of Chairman to the Board

123. If no person has been appointed as Chairman or Vice Chairman under Article 98(a) or if at any meeting, the Chairman or Vice Chairman of the Board is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be the Chairman of the meeting.

Power to appoint Committees and to delegate

124. a. The Board may, from time to time, and at any time and in compliance with provisions of the act and listing agreement constitute one or more Committees of the Board consisting of such member or members of its body, as the Board may think fit.

Delegation of powers

b. Subject to the provisions of Section 179 the Board may delegate from time to time and at any time to any Committee so appointed all or any of the powers, authorities and discretions for the time being vested in the Board and such delegation may be made on such terms and subject to such conditions as the Board may think fit and subject to provisions of the act and listing agreement.

c. The Board may from, time to time, revoke, add to or vary any powers, authorities and discretions so delegated subject to provisions of the act and listing agreement.

Proceedings of Committee

125. The meeting and proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto, and not superseded by any regulations made by the Directors under the last proceeding Article.

Election of Chairman of the Committee

126. a. The Chairman or the Vice Chairman shall be the Chairman of its meetings, if either is not available or if at any meeting either is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their number to be Chairman of the meeting.

b. The quorum of a Committee may be fixed by the Board and until so fixed, if the Committee is of a single member or two members, the quorum shall be one and if more than two members, it shall be two.

Question how determined

127. a. A Committee may meet and adjourn as it thinks proper.

b. Questions arising at any meeting of a Committee shall be determined by the sole member of the Committee or by a majority of votes of the members present as the case may be and in case of an equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a member of the Committee.

Acts done by Board or Committee valid, notwithstanding defective appointment, etc.

128. All acts done by any meeting of the Board or a Committee thereof, or by any person acting as a Director shall, not withstanding that it may be afterwards discovered that there was some defect in the

appointment of any one or more of such Directors or any person acting as aforesaid, or that any of them was disqualified, be as valid as if every such Director and such person had been duly appointed and was qualified to be a Director.

Resolution by circulation

129. Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with necessary papers, if any, to all the members of the Committee then in India (not being less in number than the quorum fixed for the meeting of the Board or the Committee as the case may) and to all other Directors or members at their usual address in India or by a majority of such of them as are entitled to vote on the resolution shall be valid and effectual as if it had been a resolution duly passed at a meeting of the Board or Committee duly convened and held.

POWERS AND DUTIES OF DIRECTORS

General powers of Company vested in Directors

130. The business of the Company shall be managed by the Directors who may exercise all such powers of the Company as are not, by the act or any statutory modification thereof for the time being in force, or by these Articles, required to be exercised by the Company in General Meeting, subject nevertheless to any regulation of these Articles, to the provisions of the said Act, and to such regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in General Meeting; but no regulation made by the Company in General Meeting, shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

Attorney of the Company

131. The Board may appoint at any time and from time to time by a power of attorney under the Company's seal, any person to be the Attorney of the Company for such purposes and with such powers, authorities and discretions not exceeding those vested in or exercisable by the Board under these Articles and for such period and subject to such conditions as the Board may from time to time think fit and any such appointment, may, if the Board thinks fit, be made in favour of the members, or any of the members of any firm or company, or the members, Directors, nominees or managers of any firm or company or otherwise in favour of any body or persons whether nominated directly or indirectly by the Board and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the Board may think fit.

Power to authorise sub delegation

132. The Board may authorise any such delegate or attorney as aforesaid to sub-delegate all or any of the powers and authorities for the time being vested in him.

Directors' duty to comply with the provisions of the Act

133. The Board shall duly comply with the provisions of the Act and in particular with the provisions in regard to the registration of the particulars of mortgages and charges affecting the property of the Company or created by it, and keep a register of the Directors, and send to the Registrar an annual list of members and a summary of particulars relating thereto, and notice of any consolidation or increase of share capital and copies of special resolutions, and such other resolutions and agreements required to be filed under Section 117 of the Act and a copy of the Register of Directors and notifications of any change therein.

Special power of Directors

134. In furtherance of and without prejudice to the general powers conferred by or implied in Article 130 and other powers conferred by these Articles, and subject to the provisions of Sections 179 and 180 of the

Act, that may become applicable, it is hereby expressly declared that it shall be lawful for the Directors to carry out all or any of the objects set forth in the Memorandum of Association and to the following things.

To acquire and dispose of property and rights

135. a. To purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit and to sell, let, exchange, or otherwise dispose of the property, privileges and undertakings of the Company upon such terms and conditions and for such consideration as they may think fit.

To pay for property in debentures, etc.

b. At their discretion to pay for any property, rights and privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures or other securities of the Company and any such shares may be issued either as fully paid-up or with such amount credited as paid-up, the sum as may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

To secure contracts by mortgages

c. To secure the fulfillment of any contracts or agreements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such other manner as they think fit.

To appoint officers, etc.

d. To appoint and at their discretion remove, or suspend such agents, secretaries, officers, clerks and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties and fix their powers and duties and fix their salaries or emoluments and to the required security in such instances and to such amount as they think fit.

e. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payments or satisfaction of any dues and of any claims or demands by or against the Company.

To refer to arbitration

f. To refer to, any claims or demands by or against the Company to arbitration and observe and perform the awards.

To give receipt

g. To make and give receipts, releases and other discharges for money payable to the Company and of the claims and demands of the Company.

To act in matters of bankrupts and insolvents

h. To act on behalf of the Company in all matters relating to bankrupts and insolvents.

To give security by way of indemnity

i. To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit and any such mortgage

may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.

To give commission

j. To give any person employed by the Company a commission on the profits of any particular business or transaction or a share in the general profits of the Company.

To make contracts etc.

k. To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.

To make bye-laws

l. From time to time, make, vary and repeal bye-laws for the regulations of the business for the Company, its officers and servants.

To set aside profits for provided fund

m. Before recommending any dividends, to set-aside portions of the profits of the Company to form a fund to provide for such pensions, gratuities or compensations; or to create any provident fund or benefit fund in such or any other manner as the Directors may deem fit.

To make and alter rules

n. To make and alter rules and regulations concerning the time and manner of payments of the contributions of the employees and the Company respectively to any such fund and accrual, employment, suspension and forfeiture of the benefits of the said fund and the application and disposal thereof and otherwise in relation to the working and management of the said fund as the Directors shall from time to time think fit.

o. And generally, at their absolute discretion, to do and perform every act and thing which they may consider necessary or expedient for the purpose of carrying on the business of the Company, excepting such acts and things as by Memorandum of Association of the Company or by these presents may stand prohibited.

Managing Director

136. a. Subject to the provisions of Section 196,197, 2(94), 203 of the Act, the following provisions shall apply:

b. The Board of Directors may appoint or re-appoint one or more of their body, not exceeding two, to be the Managing Director or Managing Directors of the Company for such period not exceeding 5 years as it may deem fit, subject to such approval of the Central Government as may be necessary in that behalf.

c. The remuneration payable to a Managing Director shall be determined by the Board of Directors subject to the sanction of the Company in General Meeting and of the Central Government, if required.

d. If at any time there are more than one Managing Director, each of the said Managing Directors may exercise individually all the powers and perform all the duties that a single Managing Director may be empowered to exercise or required to perform under the Companies Act or by

these presents or by any Resolution of the Board of Directors and subject also to such restrictions or conditions as the Board may from time to time impose.

e. The Board of Directors may at any time and from time to time designate any Managing Director as Deputy Managing Director or Joint Managing Director or by such other designation as it deems fit.

f. Subject to the supervision, control and directions of the Board of Directors, the Managing Director/Managing Directors shall have the management of the whole of the business of the Company and of all its affairs and shall exercise all powers and perform all duties and in relation to the management of the affairs, except such powers and such duties as are required by Law or by these presents to be exercised or done by the Company in General Meeting or by the Board and also subject to such conditions and restrictions imposed by the Act or by these presents or by the Board of Directors. Without prejudice to the generality of the foregoing, the Managing Director/Managing Directors shall exercise all powers set out in Article 137 above except those which are by law or by these presents or by any resolution of the Board required to be exercised by the Board or by the Company in General Meeting.

Whole-time Director

137. 1. Subject to the provisions of the Act and subject to the approval of the Central Government, if any, required in that behalf, the Board may appoint one or more of its body, as Whole-time Director or Whole-time Directors on such designation and on such terms and conditions as it may deem fit. The Whole-time Directors shall perform such duties and exercise such powers as the Board may from time to time determine which shall exercise all such powers and perform all such duties subject to the control, supervision and directions of the Board and subject thereto the supervision and directions of the Managing Director. The remuneration payable to the Whole-time Directors shall be determined by the Company in General Meeting, subject to the approval of the Central Government, if any, required in that behalf.

2. A Whole-time Director shall (subject to the provisions of any contract between him and the Company) be subject to the same provisions as to resignation and removal as the other Directors, and he shall, ipso facto and immediately, cease to be Whole-time Director, if he ceases to hold the Office of Director from any cause except where he retires by rotation in accordance with the Articles at an Annual General Meeting and is re-elected as a Director at that Meeting.

Secretary

138. The Board shall have power to appoint a Secretary a person fit in its opinion for the said office, for such period and on such terms and conditions as regards remuneration and otherwise as it may determine. The Secretary shall have such powers and duties as may, from time to time, be delegated or entrusted to him by the Board.

Powers as to commencement of business

139. Subject to the provisions of the Act, any branch or kind of business which by the Memorandum of Association of the Company or these presents is expressly or by implication authorised to be undertaken by the Company, may be undertaken by the Board at such time or times as it shall think fit and further may be suffered by it to be in abeyance whether such branch or kind of business may have been actually commenced or not so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.

Delegation of power

140. Subject to Section 179 the Board may delegate all or any of its powers to any Director, jointly or severally or to any one Director at its discretion or to the Executive Director.

BORROWING

Borrowing Powers

141. a. The Board may, from time to time, raise any money or any moneys or sums of money for the purpose of the Company; provided that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not, without the sanction of the Company at a General Meeting, exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set-apart for any specific purpose and in particular but subject to the provisions of Section 179 of the Act, the Board may, from time to time, at its discretion raise or borrow or secure the payment of any such sum or sums of money for the purpose of the Company, by the issue of debentures to members, perpetual or otherwise including debentures convertible into shares of this or any other company or perpetual annuities in security of any such money so borrowed, raised or received, mortgage, pledge or charge, the whole or any part of the property, assets, or revenue of the Company, present or future, including its uncalled capital by special assignment or otherwise or transfer or convey the same absolutely or entrust and give the lenders powers of sale and other powers as may be expedient and purchase, redeem or pay off any such security.

Provided that every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow as stated above shall specify the total amount upto which moneys may be borrowed by the Board of Directors, provided that subject to the provisions of clause next above, the Board may, from time to time, at its discretion, raise or borrow or secure the repayment of any sum or sums of money for the purpose of the Company as such time and in such manner and upon such terms and conditions in all respects as it thinks fit and in particular, by promissory notes or by opening current accounts, or by receiving deposits and advances, with or without security or by the issue of bonds, perpetual or redeemable debentures or debenture stock of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any land, building, bond or other property and security of the Company or by such other means as them may seem expedient.

Assignment of debentures

142. Such debentures, debenture stock, bonds or other securities may be made assignable, free from any equities between the Company and the person to whom the same may be issued.

Terms of debenture issue

143. a. Any such debenture, debenture stock, bond or other security may be issued at a discount, premium or otherwise, and with any special privilege as the redemption, surrender, drawing, allotment of shares of the Company, or otherwise, provided that debentures with the right to allotment or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.

b. Any trust deed for securing of any debenture or debenture stock and or any mortgage deed and/or other bond for securing payment of moneys borrowed by or due by the Company and/or any contract or any agreement made by the Company with any person, firm, body corporate, Government or authority who may render or agree to render any financial assistance to the

Company by way of loans advanced or by guaranteeing of any loan borrowed or other obligations of the Company or by subscription to the share capital of the Company or provide assistance in any other manner may provide for the appointment from time to time, by any such mortgagee, lender, trustee of or holders of debentures or contracting party as aforesaid, of one or more persons to be a Director or Directors of the Company. Such trust deed, mortgage deed, bond or contract may provide that the person appointing a Director as aforesaid may, from time to time, remove any Director so appointed by him and appoint any other person in his place and provide for filling up of any casual vacancy created by such person vacating office as such Director. Such power shall determine and terminate on the discharge or repayment of the respective mortgage, loan or debt or debenture or on the termination of such contract and any person so appointed as Director under mortgage or bond or debenture trust deed or under such contract shall cease to hold office as such Director on the discharge of the same. Such appointment and provision in such document as aforesaid shall be valid and effective as if contained in these presents.

c. The Director or Directors so appointed by or under a mortgage deed or other bond or contract as aforesaid shall be called a Mortgage Director or Mortgage Directors and the Director if appointed as aforesaid under the provisions of a debenture trust deed shall be called "Debenture Director". The words "Mortgage" or "Debenture Director" shall mean the Mortgage Director for the time being in office. The Mortgage Director or Debenture Director shall not be required to hold any qualification shares and shall not be liable to retire by rotation or to be removed from office by the Company. Such mortgage deed or bond or trust deed or contract may contain such auxiliary provision as may be arranged between the Company and mortgagee lender, the trustee or contracting party, as the case may be, and all such provisions shall have effect notwithstanding any of the other provisions herein contained but subject to the provisions of the Act.

d. The Directors appointed as Mortgage Director or Debenture Director or Corporate Director under the Article shall be deemed to be ex-officio Directors.

e. The total number of ex-officio Directors, if any, so appointed under this Article together with the other ex-officio Directors, if any, appointment under any other provisions of these presents shall not at any time exceed one-third of the whole number of Directors for the time being.

Charge on uncalled capital

144. Any uncalled capital of the Company may be included in or charged by mortgage or other security.

Subsequent assignees of uncalled capital

145. Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject such prior charge, and shall not be entitled, by notice to the shareholder or otherwise, to obtain priority over such prior charge.

Charge in favour of Director of indemnity

146. If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or other person so becoming liable as aforesaid from any loss in respect of such liability.

Powers to be exercised by Board only at meeting

147. a. Subject to the provisions of the Act, the Board shall exercise the following powers on behalf of the Company and the said power shall be exercised only by resolution passed at the meetings of the Board.

(*a*) to make calls on shareholders in respect of money unpaid on their shares;

(*b*) to authorise buy-back of securities under section 68;

(*c*) to issue securities, including debentures, whether in or outside India;

(*d*) to borrow monies;

(*e*) to invest the funds of the company;

(*f*) to grant loans or give guarantee or provide security in respect of loans;

(*g*) to approve financial statement and the Board's report;

(*h*) to diversify the business of the company;

(*i*) to approve amalgamation, merger or reconstruction;

(*j*) to take over a company or acquire a controlling or substantial stake in another company;

(k) to make political contributions;

(l) to appoint or remove key managerial personnel (KMP);

(m) to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;

(n) to appoint internal auditors and secretarial auditor;

(o) to take note of the disclosure of director's interest and shareholding;

(p) to buy, sell investments held by the company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee company;

(q) to invite or accept or renew public deposits and related matters;

(r) to review or change the terms and conditions of public deposit;

(s) to approve quarterly, half yearly and annual financial statements or financial results as the case may be.

(t) such other business as may be prescribed by the Act.

b. The Board may by a meeting delegate to any Committee of the Board or to the Managing Director the powers specified in Sub-clauses, d, e and f above.

c. Every resolution delegating the power set out in Sub-clause d shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the said delegate.

d. Every resolution delegating the power referred to in Sub-clause e shall specify the total amount upto which the funds may be invested and the nature of investments which may be made by the delegate.

e. Every resolution delegating the power referred to in Sub-clause f above shall specify the total amount upto which loans may be made by the delegate, the purposes for which the loans may be made, and the maximum amount of loans that may be made for each such purpose in individual cases.

Register of mortgage to be kept

148. The Directors shall cause a proper register and charge creation documents to be kept in accordance with the provisions of the Companies Act, 2013 for all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the said Act, in regard to the registration of mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the said Act, in regard to the registration of mortgages and charges therein specified and otherwise and shall also duly comply with the requirements of the said Act as to keeping a copy of every instrument creating any mortgage or charge by the Company at the office.

Register of holders of debentures

149. Every register of holders of debentures of the Company may be closed for any period not exceeding on the whole forty five days in any year, and not exceeding thirty days at any one time. Subject as the aforesaid, every such register shall be open to the inspection of registered holders of any such debenture and of any member but the Company may in General Meeting impose any reasonable restriction so that at least two hours in every day, when such register is open, are appointed for inspection.

Inspection of copies of and Register of Mortgages

150. The Company shall comply with the provisions of the Companies Act, 2013, as to allow inspection of copies kept at the Registered Office in pursuance of the said Act, and as to allowing inspection of the Register of charges to be kept at the office in pursuance of the said Act.

Supplying copies of register of holder of debentures

151. The Company shall comply with the provisions of the Companies Act, 2013, as to supplying copies of any register of holders of debentures or any trust deed for securing any issue of debentures.

Right of holders of debentures as to Financial Statements

152. Holders of debentures and any person from whom the Company has accepted any sum of money by way of deposit, shall on demand, be entitled to be furnished, free of cost, or for such sum as may be prescribed by the Government from time to time, with a copy of the Financial Statements of the Company and other reports attached or appended thereto.

Minutes

153. a. The Company shall comply with the requirements of Section 118 of the Act, in respect of the keeping of the minutes of all proceedings of every General Meeting and every meeting of the Board or any Committee of the Board.

b. The Chairman of the meeting shall exclude at his absolute discretion such of the matters as are or could reasonably be regarded as defamatory of any person irrelevant or immaterial to the proceedings or detrimental to the interests of the Company.

Managing Director's power to be exercised severally

154. All the powers conferred on the Managing Director by these presents, or otherwise may, subject to any directions to the contrary by the Board of Directors, be exercised by any of them severally.

MANAGER

Manager

155. Subject to the provisions of the Act, the Directors may appoint any person as Manager for such term not exceeding five years at a time at such remuneration and upon such conditions as they may think fit and any Manager so appointed may be removed by the Board.

COMMON SEAL

Common Seal

156. The Board shall provide a common seal of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof. The common seal shall be kept at the Registered Office of the Company and committed to the custody of the Directors.

Affixture of Common Seal

157. The seal shall not be affixed to any instrument except by the authority of a resolution of the Board or Committee and unless the Board otherwise determines, every deed or other instrument to which the seal is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company, be signed by one Director and the Secretary in whose presence the seal shall have been affixed or such other person as may, from time to time, be authorised by the Board and provided nevertheless that any instrument bearing the seal of the Company issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority to issue the same provided also the counter signature of the Chairman or the Vice Chairman, which shall be sealed in the presence of any one Director and signed by him on behalf of the Company.

DIVIDENDS AND RESERVES

Rights to Dividend

158. The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these presents and subject to the provisions of these presents as to the Reserve Fund, shall be divisible among the equity shareholders.

Declaration of Dividends

159. The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.

What to be deemed net profits

160. The declarations of the Directors as to the amount of the net profits of the Company shall be conclusive.

Interim Dividend

161. 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.

Dividends to be paid out of profits only

162. No dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by Section 123 of the Act.

Reserve Funds

163. a. The Board may, before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper 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 equalising dividends and pending such application may, at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.

b. The Board may also carry forward any profits which it may think prudent not to divide without setting them aside as Reserve.

Method of payment of dividend

164. a. Subject to the rights of persons, if any, entitled to share 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.

b. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of these regulations as paid on the share.

c. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date, such shares shall rank for dividend accordingly.

Deduction of arrears

165. 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 in relation to the shares of the Company or otherwise.

Adjustment of dividend against call

166. Any General Meeting declaring a dividend or bonus may make a call on the members of such amounts as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and themselves, be set off against the call.

Payment by cheque or warrant

167. a. Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through post directly 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 in the Register of Members or to such person and to such address of the holder as the joint holders may in writing direct.

b. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

c. Every dividend or warrant or cheque shall be posted within thirty days from the date of declaration of the dividends.

Retention in certain cases

168. The Directors may retain the dividends payable upon shares in respect of which any person is under the transmission clause entitled to become a member in respect thereof or shall duly transfer the same.

Receipt of joint holders

(A) Where any instrument of transfer of shares has been delivered to the Company for registration on holders, the Transfer of such shares and the same has not been registered by the Company, it shall, and notwithstanding anything contained in any other provision of the Act:

a) transfer the dividend in relation to such shares to the Special Account referred to in Sections 123 and 124 of the Act, unless the Company is authorised by the registered holder, of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer, and

b) Keep in abeyance in relation to such shares any offer of rights shares under Clause(a) of Sub-section (1) of Section 62 of the Act, and any issue of fully paid-up bonus shares in pursuance of Sub-section (3) of Section 123 of the Act".

Deduction of arrears

169. Any one of two of the joint holders of a share may give effectual receipt for any dividend, bonus, or other money payable in respect of such share.

Notice of Dividends

170. Notice of any dividend that may have been declared shall be given to the person entitled to share therein in the manner mentioned in the Act.

Dividend not to bear interest

171. No dividend shall bear interest against the Company.

Unclaimed Dividend

172. No unclaimed dividends shall be forfeited. Unclaimed dividends shall be dealt with in accordance to the provisions of Sections 123 and 124 of the Companies Act, 2013.

Transfer of share not to pass prior Dividend

173. Any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

CAPITALISATION OF PROFITS

Capitalisation of Profits

174. a. The Company in General Meeting, may on the recommendation of the Board, resolve:

1. that the whole or any part of any amount standing to the credit of the Share Premium Account or the Capital Redemption Reserve Fund or any money, investment or other asset forming part of the undivided profits, including profits or surplus moneys arising from the realisation and (where permitted by law) from the appreciation in value of any Capital assets of the Company standing to the credit of the General Reserve, Reserve or any Reserve Fund or any amounts standing to the credit of the Profit and Loss Account or any

other fund of the Company or in the hands of the Company and available for the distribution as dividend capitalised; and

2. that such sum be accordingly set free for distribution in the manner specified in Sub-clause (2) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.

b. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in Sub clause (3) either in or towards:

1. paying up any amount for the time being unpaid on any share held by such members respectively;

2. paying up in full unissued shares of the Company to be allotted and distributed and credited as fully paid-up to and amongst such members in the proportion aforesaid; or

3. partly in the way specified in Sub-clause (i) and partly in that specified in Sub-clause (ii).

c. A share premium account and a capital redemption reserve account may for the purpose of this regulation be applied only in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

d. The Board shall give effect to resolutions passed by the Company in pursuance of this Article.

Powers of Directors for declaration of Bonus

175. a. Whenever such a resolution as aforesaid shall have been passed, the Board shall:

1. make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issue or fully paid shares if any; and

2. generally do all acts and things required to give effect thereto.

b. The Board shall have full power:

1. to make such provision by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit in the case of shares becoming distributable infractions and also;

2. 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 the profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on the existing shares.

c. Any agreement made under such authority shall be effective and binding on all such members.

ACCOUNTS

Books of account to be kept

176. a. The Board shall cause proper books of accounts to be kept in respect of all sums of money received and expanded by the Company and the matters in respect of which such receipts and expenditure take place, of all sales and purchases of goods by the Company, and of the assets and liabilities of the Company.

b. All the aforesaid books shall give a fair and true view of the affairs of the Company or of its branch as the case may be, with respect to the matters aforesaid, and explain in transactions.

c. The books of accounts shall be open to inspection by any Director during business hours.

Where books of account to be kept

177. The books of account shall be kept at the Registered Office or at such other place as the Board thinks fit.

Inspection by members

178. The Board shall, from time to time, determine whether and to what extent and at what time and under what conditions or regulations the accounts and books and documents of the Company or any of them shall be open to the inspection of the members and no member (not being a Director) shall have any right of inspection any account or book or document of the Company except as conferred by statute or authorised by the Board or by a resolution of the Company in General Meeting.

Statement of account to be furnished to General Meeting

179. The Board shall lay before such Annual General Meeting, financial statements made up as at the end of the financial year which shall be a date which shall not precede the day of the meeting by more than six months or such extension of time as shall have been granted by the Registrar under the provisions of the Act.

Financial Statements

180. Subject to the provisions of Section 129, 133 of the Act, every financial statements of the Company shall be in the forms set out in Parts I and II respectively of Schedule III of the Act, or as near thereto as circumstances admit.

Authentication of Financial Statements

181. a. Subject to Section 134 of the Act, every financial statements of the Company shall be signed on behalf of the Board by not less than two Directors.

b. The financial statements shall be approved by the Board before they are signed on behalf of the Board in accordance with the provisions of this Article and before they are submitted to the Auditors for their report thereon.

Auditors Report to be annexed

182. The Auditor's Report shall be attached to the financial statements.

Board's Report to be attached to Financial Statements

183. a. Every financial statement laid before the Company in General Meeting shall have attached to it a report by the Board with respect to the state of the Company's affairs, the amounts, if any, which it proposes to carry to any reserve either in such Balance Sheet or in a subsequent Balance Sheet and the amount, if any, which it recommends to be paid by way of dividend.

b. The report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to its business or that of any of its subsidiaries, deal with any change which has occurred during the financial year in the nature of the Company's business or that of the Company's subsidiaries and generally in the classes of business in which the Company has an interest and material changes and commitments, if any, affecting the financial position of the Company which has occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the report.

c. The Board shall also give the fullest information and explanation in its report or in case falling under the provision of Section 134 of the Act in an addendum to that Report on every reservation, qualification or adverse remark contained in the Auditor's Report.

d. The Board's Report and addendum, if any, thereto shall be signed by its Chairman if he is authorised in that behalf by the Board; and where he is not authorised, shall be signed by such number of Directors as is required to sign the Financial Statements of the Company under Article 181.

e. The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of Sub-clauses (a) to (e) of this Article are complied with.

Right of member to copies of Financial Statements

184. The Company shall comply with the requirements of Section 136.

ANNUAL RETURNS

Annual Returns

185. The Company shall make the requisite annual return in accordance with Section 92 of the Act.

AUDIT

Accounts to be audited

186. a. Every Financial Statement shall be audited by one or more Auditors to be appointed as hereinafter mentioned.

b. Subject to provisions of the Act, The Company at the Annual General Meeting shall appoint an Auditor or Firm of Auditors to hold office from the conclusion of that meeting until the conclusion of the fifth Annual General Meeting and shall, within seven days of the appointment, give intimation thereof to every Auditor so appointed unless he is a retiring Auditor.

c. At every Annual General Meeting, reappointment of such auditor shall be ratified by the shareholders.

d. Where at an Annual General Meeting no Auditors are appointed or reappointed, the Central Government may appoint a person to fill the vacancy.

e. The Company shall, within seven days of the Central Government's power under Sub-clause (d) becoming exercisable, give notice of that fact to that Government.

f. 1. The first Auditor or Auditors of the Company shall be appointed by the Board of Directors within one month of the date of registration of the Company and the Auditor or Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.

Provided that the Company may at a General Meeting remove any such Auditor or all or any of such Auditors and appoint in his or their places any other person or persons who have been nominated for appointment by any such member of the Company and of whose nomination notice has been given to the members of the Company, not less than 14 days before the date of the meeting; and

2. If the Board fails to exercise its power under this Sub-clause, the Company in General Meeting may appoint the first Auditor or Auditors.

g. The Directors may fill any casual vacancy in the office of an Auditor, but while any such vacancy continues, the remaining Auditor or Auditors, if any, may act, but where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.

h. A person other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless Special Notice of a resolution for appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Section 115 of the Act and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members in accordance with Section 190 of the Act and all other provisions of Section140 of the Act shall apply in the matter. The provisions of this Sub-clause shall also apply to a resolution that retiring Auditor shall be reappointed.

i. The persons qualified for appointment as Auditors shall be only those referred to in Section 141 of the Act.

j. Subject to the provisions of Section 146 of the Act, the Auditor of the company shall attend general meetings of the company.

Audit of Branch Offices

187. The Company shall comply with the provisions of Section 143 of the Act in relation to the audit of the accounts of Branch Offices of the Company.

Remuneration of Auditors

188. The remuneration of the Auditors shall be fixed by the Company in General Meeting except that the remuneration of any Auditor appointed to fill and casual vacancy may be fixed by the Board.

Rights and duties of Auditors

189. a. Every Auditor of the Company shall have a right of access at all times to the books of accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanations as may be necessary for the performance of his duties as Auditor.

b. All notices of, and other communications relating to any General Meeting of a Company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditor, and the Auditor shall be entitled to attend any General Meeting and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor.

c. The Auditor shall make a report to the members of the Company on the accounts examined by him and on Financial statements and on every other document declared by this Act to be part of or annexed to the Financial statements, which are laid before the Company in General Meeting during his tenure of office, and the report shall state whether, in his opinion and to the best of his information and according to explanations given to him, the said accounts give the information required by this Act in the manner so required and give a true and fair view:

1. in the case of the Balance Sheet, of the state of affairs as at the end of the financial year and

2. in the case of the Statement of Profit and Loss, of the profit or loss for its financial year.

d. The Auditor's Report shall also state:

(*a*) whether he has sought and obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit and if not, the details thereof and the effect of such information on the financial statements;

(*b*) whether, in his opinion, proper books of account as required by law have been kept by the company so far as appears from his examination of those books and proper returns adequate for the purposes of his audit have been received from branches not visited by him;

(*c*) whether the report on the accounts of any branch office of the company audited under sub-section (*8*) by a person other than the company's auditor has been sent to him under the proviso to that sub-section and the manner in which he has dealt with it in preparing his report;

(*d*) whether the company's balance sheet and profit and loss account dealt with in the report are in agreement with the books of account and returns;

(*e*) whether, in his opinion, the financial statements comply with the accounting standards;

(*f*) the observations or comments of the auditors on financial transactions or matters which have any adverse effect on the functioning of the company;

(*g*) whether any director is disqualified from being appointed as a director under sub-section (*2*) of section 164;

(*h*) any qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith;

(i) whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls;

(j) whether the company has disclosed the impact, if any, of pending litigations on its financial position in its financial statement;

(k) whether the company has made provision, as required under any law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;

(l) whether there has been any delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

e. Where any of the matters referred to in Clauses (i) and (ii) of Sub-section (2) of Section 143 of the Act or in Clauses (a), (b) and (c) of Sub-section (3) of Section 143 of the Act or Sub-clause (4) (a) and (b) and (c) hereof is answered in the negative or with a qualification, the Auditor's Report shall state the reason for such answer.

f. The Auditor's Report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.

Accounts whether audited and approved to be conclusive

190. Every account of the Company when audited and approved by a General Meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period, the accounts shall forthwith be corrected, and henceforth be conclusive.

Service of documents on the Company

191. A document may be served on the Company or any officer thereof by sending it to the Company or officer at the Registered Office of the Company by Registered Post, or by leaving it at the Registered Office or in electronic mode in accordance with the provisions of the act.

How documents to be served to members

192. a. A document (which expression for this purpose shall be deemed to included and shall include any summons, notice, requisition, process, order judgement or any other document in relation to or the winding up of the Company) may be served personally or by sending it by post to him to his registered address or in electronic mode in accordance with the provisions of the act., or (if he has no registered address in India) to the address, if any, within India supplied by him to the Company for the giving of notices to him.

b. All notices shall, with respect to any registered shares to which persons are entitled jointly, be given to whichever of such persons is named first in the Register, and notice so given shall be sufficient notice to all the holders of such shares.

c. Where a document is sent by post:

i. service thereof shall be deemed to be effected by properly addressing prepaying and posting a letter containing the notice, provided that where a member has intimated to the Company in advance that documents should be sent to him under a Certificate of Posting or by Registered Post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the documents shall not be deemed to be effected unless it is sent in the manner intimated by the member, and such service shall be deemed to have been effected;

a. in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the notice is posted, and

b. in any other case, at the time at which the letter should be delivered in the ordinary course of post.

Members to notify address in India

193. Each registered holder of share(s) shall, from time to time, notify in writing to the Company some place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

Service on members having no registered address in India

194. If a member has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him, a document advertised in a newspaper circulating in the neighbourhood of the Registered Office of the Company shall be deemed to be duly served on him on the day on which the advertisement appears.

Service on persons acquiring shares on death or insolvency of members

195. A document may be served by the Company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of deceased or assignees of the insolvent or by any like descriptions at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled or (until

such an address has been so supplied) by serving the document in any manner in which the same might have been served if the death or insolvency had not occurred.

Notice valid though member deceased

196. Any notice of document delivered or sent by post or left at the registered address of any member in pursuance of these presents shall, notwithstanding that such member by then deceased and whether or not the Company has notice of his decease, be deemed to have been duly served in respect of any registered share whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint holder thereof and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his or on her heirs, executors or administrators, and all other persons, if any, jointly interested with him or her in any such share.

Persons entitled to Notice of General Meeting

197. Subject to the provisions of Section 101 the Act and these Articles, notice of General Meeting shall be given to;

(*a*) every member of the company, legal representative of any deceased member or the assignee of an insolvent member;

(*b*) the auditor or auditors of the company; and

(*c*) every director of the company.

Any accidental omission to give notice to, or the non-receipt of such notice by, any member or other person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.

Advertisement

198. a. Subject to the provisions of the Act, any document required to be served on or sent to the members, or any of them by the Company and not expressly provided for by these presents, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the district where the Registered Office of the Company is situated.

b. Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered in the Register shall be duly given to the person from whom he derived his title to such share or stock.

Transference, etc. bound by prior notices

199. Every person, who by the operation of law, transfer, or other means whatsoever, shall become entitled to any share, shall be bound by every document in respect of such share which previously to his name and address being entered in the Register, shall have been duly served on or sent to the person from whom he derives his title to the share.

How notice to be signed

200. Any notice to be given by the Company shall be signed by the Managing Director or by such Director or officer as the Directors may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed.

AUTHENTICATION OF DOCUMENTS

Authentication of document and proceeding

201. Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, or the Managing Director or an authorised officer of the Company and need not be under its seal.

WINDING UP

Winding up

202. Subject to the provisions of the Act as to preferential payments, the assets of a Company shall, on its winding-up be applied in satisfaction of its liabilities pari-passu and, subject to such application, shall, unless the articles otherwise provide, be distributed among the members according to their rights and interests in the Company.

Division of assets of the Company in specie among members

203. If the Company shall be wound up, whether voluntarily or otherwise, the liquidators may, with the sanction of a Special Resolution, divide among the contributories, in specie or kind, and part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidators with the like sanction shall think fit. In case any shares, to be divided as aforesaid involves a liability to calls or otherwise, any person entitled under such division to any of the said shares may, within ten days after the passing of the Special Resolution by notice in writing, direct the liquidators to sell his proportion and pay him the net proceeds, and the liquidators shall, if practicable, act accordingly.

INDEMNITY AND RESPONSIBILITY

Directors' and others' right to indemnity

204. a. Subject to the provisions of Section 197 of the Act every Director, Manager, Secretary and other officer or employee of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company to pay all costs, losses, and expenses (including travelling expenses) which Service of documents on the Company any such Director, officer or employee may incur or becomes liable to by reason of any contract entered into or act or deed done by him or any other way in the discharge of his duties, as such Director, officer or employee.

b. Subject as aforesaid, every Director, Manager, Secretary, or other officer/employee of the Company shall be indemnified against any liability, incurred by them or him in defending any proceeding whether civil or criminal in which judgement is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Section 463 of the Act in which relief is given to him by the Court and without prejudice to the generality of the foregoing, it is hereby expressly declared that the Company shall pay and bear all fees and other expenses incurred or incurrable by or in respect of any Director for filing any return, paper or document with the Registrar of Companies, or complying with any of the provisions of the Act in respect of or by reason of his office as a Director or other officer of the Company.

205. Subject to the provisions of Section 197 of the Act, no Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer, or for joining in any receipt or other act for conformity for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for and on behalf of the Company, or for the insufficiency or deficiency of title to any property acquired by order of the Directors for and on behalf of the Company or for the insufficiency or deficiency of any money invested, or for any loss or damages arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgement or oversight on his part of for any loss or damage or

misfortune whatever, which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own act or default.

SECRECY CLAUSE

206. a. No member shall be entitled to visit or inspect the Company's works without the permission of the Directors or Managing Director or to require discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or which may relate to the conduct of the business of the Company and which, in the opinion of the Directors, will be inexpedient in the interests of the Company to communicate to the public.

b. Every Director, Managing Director, Manager, Secretary, Auditor, Trustee, Members of a Committee, Officers, Servant, Agent, Accountant or other person employed in the business of the Company, shall, if so required by the Directors before entering upon his duties, or at any time during his term of office sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company and the state of accounts and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of duties except when required so to do by the Board or by any General Meeting or by a Court of Law or by the persons to whom such matters relate and except so far as may be necessary, in order to comply with any of the provisions contained in these Articles.

REGISTERS, INSPECTION AND COPIES THEREOF

207. a. Any Director or Member or person can inspect the statutory registers maintained by the company, which may be available for inspection of such Director or Member or person under provisions of the act by the company, provided he gives fifteen days notice to the company about his intention to do so.

b. Any Director or Member or person can take copies of such registers of the company by paying Rs. 10 per page to the company. The company will take steps to provide the copies of registers to such person within Fifteen days of receipt of money.

GENERAL AUTHORITY

208. Wherever in the applicable provisions under the Act, it has been provided that, any Company shall have any right, authority or that such Company could carry out any transaction only if the Company is authorised by its Articles, this regulation hereby authorises and empowers the Company to have such right, privilege or authority and to carry out such transaction as have been permitted by the Act without there being any specific regulation or clause in that behalf in this articles.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of the Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which have been attached to the copy of the Red Herring Prospectus delivered to the RoC for registration, and also the documents for inspection referred to hereunder, may be inspected at our Registered Office at Unit No. 101, Plot No. 193 SEZ Diamond Park Sachin, Surat, Gujarat-394230, India, from 10.00 am to 5.00 pm on all Working Days from the date of Red Herring Prospectus until the Issue Closing Date.

A Material Contracts to the Issue

1. Issue Agreement dated July 12, 2017 entered into among our Company and the Book Running Lead Manager.

2. Agreement dated July 08, 2017 entered into among our Company and the Registrar to the Issue.

3. Tripartite Agreement dated August 17, 2017 entered into among our Company, NSDL and the Registrar to the Issue.

4. Tripartite Agreement dated August 09, 2017 entered into among our Company, CDSL and the Registrar to the Issue.

5. Banker to the Issue Agreement dated September 04, 2017 among our Company, the Book Running Lead Manager, Banker to the Issue and the Registrar to the Issue.

6. Market Making Agreement dated July 31, 2017 and Addendum to the Market Agreement dated September 04, 2017 between our Company, the Book Running Lead Manager and the Market Makers.

7. Underwriting Agreement dated July 31, 2017 between our Company and the Book Running Lead Manager.

8. Syndicate Agreement dated September 04, 2017 executed between our Company, the BRLM and NNM Securities Private Limited (Syndicate Member).

9. Syndicate Agreement dated September 04, 2017 executed between our Company, the BRLM and Gretex Share Broking Private Limited (Syndicate Member).

10. Business Transfer Agreement dated April 25, 2017 between our Company and M/s Sagar Gems, a proprietary firm represented by our Promoter, Mr. Vaibhav Dipak Shah

B Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company.

2. Certificate of Incorporation of our Company dated July 15, 2015 issued by Registrar of Companies, Ahmedabad.

3. Fresh Certificate of Incorporation dated July 04, 2017 issued by Registrar of Companies, Ahmedabad, Gujarat pursuant to conversion into public limited Company.

4. Resolution of the Board of Directors of our Company and Equity Shareholders of our Company dated July 05, 2017 and July 08, 2017, respectively, authorizing the Issue and other related matters.

5. Copies of Audited Financial Statements of our Company for the period ended June 20, 2017 and financial years ended March 31, 2017 and 2016.

6. Auditor's report for Restated Financials dated July 11, 2017 included in this Red Herring Prospectus.

7. Copy of Statement of tax benefits dated July 11, 2017 from the Statutory Auditor included in this Red Herring Prospectus.

8. Consents of Directors, Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditor, Peer Review Auditor, Syndicate Members, Legal Advisor to the Issue, Bankers to our Company, Banker to the Issue, Book Running Lead Manager, Registrar to the Issue, Underwriter and Market Maker to include their names in the Red Herring Prospectus to act in their respective capacities.

9. In-principle listing approval dated August 30, 2017 from the BSE for listing the Equity Shares on the SME Platform of BSE.

10. Due Diligence Certificate dated July 17, 2017 from the Book Running Lead Manager to BSE.

Any of the contracts or documents mentioned in this 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, subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Mr.Vaibhav Dipak Shah Managing Director DIN:03302936	Sd/-
Mr. Rahil Hiteshbhai Chovatia *Non-Executive & Non Independent Director* DIN: 07808004	Sd/-
Mr. Shahid Hussain Gulam Nabi Shaikh *Non-Executive & Independent Director* DIN: 07828171	Sd/-
Ms. Namrata Dattatray Tembe *Non-Executive & Independent Director* DIN:07828174	Sd/-

Mr. Sachin Ashok Dhobale Signed By Chief Financial Officer (CFO) PAN: BDQPD7228H	Sd/-
Mr. Kaushik H Vegad Signed By Company Secretary & Compliance Officer (CS) Membership No.: A49100	Sd/-

Date: September 05, 2017

Place: Surat