DRAFT RED HERRING PROSPECTUS
Dated August 20, 2018
See Section 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated on filing with the RoC)
Book Built Issue

SENCO GOLD & DIAMONDS
CRAFTSMANSHIP FOR YOU

SENCO GOLD LIMITED

Our Company was originally incorporated as Senco Gold Private Limited on August 22, 1994, at Kolkata, West Bengal, India, as a private limited company under the Companies Act, 1956. Subsequently, pursuant to a resolution passed at the meeting of the Board of Directors held on June 27, 2007 and a special resolution of the shareholders of our Company at the EGM held on August 8, 2007, the name of our Company was changed to Senco Gold Limited, pursuant to its conversion into a public limited company. A fresh certificate of incorporation dated August 31, 2007, consequent to the change of name, was issued by the Registrar of Companies, West Bengal ("**RoC**"). For details of changes in name and registered office, see "*History and Certain Corporate Matters*" beginning on page 147.

Corporate Identity Number: U36911WB1994PLC064637

Registered Office and Corporate Office: Diamond Prestige, 41A, A.J.C. Bose Road, 10th floor, Unit no. 1001, Kolkata – 700 017, West Bengal, India; **Tel:** +91 33 4021 5000; **Fax:** +91 33 4021 5025
Contact Person: Surendra Gupta, Company Secretary and Compliance Officer; **Tel:** +91 33 4021 5000; **Fax:** +91 33 4021 5025
E-mail: compliance@sencogold.co.in; **Website:** www.sencogoldanddiamonds.com

PROMOTERS OF OUR COMPANY: SANKAR SEN, SUVANKAR SEN, JAI HANUMAN SHRI SIDDHIVINAYAK TRUST AND OM GAAN GANPATAYE BAJRANGBALI TRUST

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH (THE "EQUITY SHARES") OF SENCO GOLD LIMITED (OUR "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) (THE "ISSUE PRICE"), AGGREGATING UP TO ₹6,000 MILLION (THE "ISSUE"). THE ISSUE WILL CONSTITUTE [●]% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLMS AND WILL BE ADVERTISED IN [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER) AND [●] (A WIDELY CIRCULATED BENGALI DAILY NEWSPAPER, BENGALI BEING THE REGIONAL LANGUAGE OF WEST BENGAL WHERE OUR REGISTERED OFFICE AND CORPORATE OFFICE IS LOCATED) AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

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

In case of a revision in the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days (as defined herein) after such revision of the Price Band, subject to the Bid/Issue Period not exceeding a total of 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate Members and by intimation to Self-Certified Syndicate Banks ("**SCSBs**"), the Registered Brokers, Registrar and Share Transfer Agents and Collecting Depository Participants.

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "**SCRR**"), and in compliance with Regulation 26(1) of the SEBI ICDR Regulations this is an Issue wherein not more than 50% of the Issue will be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**"), provided that our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors, on a discretionary basis (the "**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Post allocation to the Anchor Investors, the QIB Portion will be reduced by such number of Equity Shares. Further, such number of Equity Shares representing 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remaining Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors) including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not less than such number of Equity Shares representing 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than such number of Equity Shares representing 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All Bidders (except Anchor Investors) shall mandatorily participate in this Issue only through the Applications Supported by Blocked Amount ("**ASBA**") process, and shall provide details of their respective bank accounts in which the Bid amount will be blocked by Self Certified Syndicate Banks (the "SCSBs") to participate in the offer. The Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "*Issue Procedure*" on page 482.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10 and the Floor Price and Cap Price are [●] times and [●] times of the face value of the Equity Shares, respectively. The Issue Price (as has been determined and justified by our Company, in consultation with the BRLMs in accordance with the SEBI ICDR Regulations, and as stated in "*Basis for Issue Price*" on page 100) 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 active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, Bidders must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the Bidders is invited to see "*Risk Factors*" on page 20.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of this Issue, [●] is the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For further information on the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Issue Closing Date. For further information, see "*Material Contracts and Documents for Inspection*" on page 594.

BOOK RUNNING LEAD MANAGERS

IDFC BANK	ICICI Securities	IIFL
IDFC Bank Limited Naman Chambers, C – 32, G Block Bandra Kurla Complex, Bandra (East) Mumbai – 400 051 Maharashtra, India Tel: +91 22 7132 5500 Fax: +91 22 4222 2088 E-mail: sgl.ipo@idfcbank.com Investor Grievance E-mail: mb.ig@idfcbank.com Website: www.idfcbank.com Contact Person: Kunal Thakkar / Krishnakant Jaju SEBI Registration No.: MB/INM000012250	**ICICI Securities Limited** ICICI Centre H.T. Parekh Marg, Churchgate Mumbai – 400 020 Maharashtra, India Tel.: +91 22 2288 2460 Fax: +91 22 2282 6580 E-mail: sencogold.ipo@icicisecurities.com Investor Grievance E-mail: customercare@icicisecurities.com Website: www.icicisecurities.com Contact Person: Shekhar Asnani / Suyash Jain SEBI Registration No: MB/INM000011179	**IIFL Holdings Limited** 10th Floor, IIFL Centre Kamala City, Senapati Bapat Marg Lower Parel (West), Mumbai – 400 013 Maharashtra, India Tel: +91 22 4646 4600 Fax: +91 22 2493 1073 E-mail: senco.ipo@iiflcap.com Investor Grievance E-mail: ig.ib@iiflcap.com Website: www.iiflcap.com Contact Person: Pinak Bhattacharyya / Sachin Kapoor SEBI Registration No: MB/INM000010940

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE ISSUE
Emkay — Your success is our success	YES SECURITIES	KARVY Computershare
Emkay Global Financial Services Limited 7th Floor, The Ruby Senapati Bapat Marg Dadar West, Mumbai – 400 028 Maharashtra, India Tel: +91 22 6612 1212 Fax: +91 22 6612 1355 E-mail: ipo.senco@emkayglobal.com Investor Grievance E-mail: ibg@emkayglobal.com Website: www.emkayglobal.com Contact Person: Deepak Yadav SEBI Registration No: MB/INM000011229	**YES Securities (India) Limited** IFC Tower 1&2, Unit No 602 A, 6th Floor Senapati Bapat Marg Elphinstone Road, Mumbai – 400013 Maharashtra, India Tel: +91 22 3012 6776 Fax: +91 22 2421 4508 E-mail: senco.ipo@yessecuritiesltd.in Investor grievance E-mail: igc@yessecuritiesltd.in Website: www.yesinvest.in Contact Person: Nikhil Bhiwapurkar SEBI Registration No: MB/INM000012227	**Karvy Computershare Private Limited** Karvy Selenium Tower B Plot 31-32, Gachibowli, Financial District Nanakramguda Hyderabad 500 032 India Tel: +91 40 6716 2222 Fax: +91 40 2343 1551 E-mail: einward.ris@karvy.com Investor Grievance E-mail: sencogold.ipo@karvy.com Website: www.karisma.karvy.com Contact Person: M Murali Krishna SEBI Registration No.: INR000000221

BID/ISSUE PERIOD*

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

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

***Our Company, in consultation with the BRLMs, may decide to close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date, in accordance with the SEBI ICDR Regulations.*

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DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines, or policies shall be to such legislation, act, regulation, rules, guidelines, or policies, as amended, supplemented or re-enacted from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

Capitalised words and expressions used, but not defined herein shall have the same meaning as assigned to such terms under the SEBI Act and the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in "*Statement of Tax Benefits*", "*Financial Statements*", "*Key Regulations and Policies in India*" "*Provisions of the Articles of Association*" and "*Issue Procedure – General Information Document*" on pages 103, 189, 143, 531 and 493, respectively, shall have the meaning given to such terms in such sections.

GENERAL TERMS

Term	Description
"our Company", "the Company" or "the Issuer"	Senco Gold Limited, a company incorporated under the Companies Act, 1956, and having its Registered Office and Corporate Office at Diamond Prestige 41A, A.J.C Bose Road, 10th floor, Unit no. 1001, Kolkata – 700 017, West Bengal, India
"we", "us" or "our"	Unless the context otherwise indicates, our Company

COMPANY RELATED TERMS

Term	Description
Adjusted Revenue	Revenue from operations reduced by excise duty. Prospective investors should note that these figures are not required by, Ind AS or Indian GAAP and are presented herein only to provide a comparable number
Articles of Association / AoA	Articles of association of our Company, as amended
Audit Committee	The committee of the Board of Directors constituted as our Company's audit committee in accordance with Regulation 18 of the Listing Regulations and Section 177 of the Companies Act, 2013
Auditors / Statutory Auditors	Statutory auditors of our Company namely, B S R & Co. LLP, Chartered Accountants
Board / Board of Directors	Board of directors of our Company, or a duly constituted committee thereof
Chairman and Managing Director	Chairman and managing director of our Company, namely, Sankar Sen
CCPS	0.01% compulsorily convertible non-cumulative preference shares of our Company of face value of ₹10 each, fully paid up
Corporate Social Responsibility Committee	The committee of the Board of Directors constituted as our Company's corporate social responsibility committee in accordance Section 135 of the Companies Act, 2013
CFO	The chief financial officer of our Company, namely, Vikram Nagpal
Director(s)	Director(s) on the Board, as appointed from time to time
Equity Shares	Unless the context otherwise requires, the Equity shares of our Company of face value of ₹10 each
Erstwhile Subsidiaries	Senco Gold Impex Private Limited and Addyashakti Properties Private Limited
Executive Director	Executive director of our Company, namely, Suvankar Sen.
ESOP Scheme 2018	The Employee Stock Option Scheme 2018
Group Entities	Our Group Entities are: 1. Senco Infrastructure Private Limited 2. Lokenath Dealer Private Limited

Term	Description
	3. Roopmahal Mercantile Private Limited 4. Rachna Vintrade Private Limited 5. Rangoli Shoppers Private Limited 6. Mangoe Construction Private Limited 7. Rangbarshi Trading Private Limited 8. P C Sen Charitable Trust 9. Senco Gold Limited Employees Group Gratuity Fund 10. Sen & Majumdar
Independent Director	A non-executive, independent Director as per the Companies Act, 2013 and the Listing Regulations
Individual Promoter(s)	Sankar Sen and Suvankar Sen
IPO Committee	The committee of the Board of Directors as described in the section titled "*Our Management*" on page 153
Key Management Personnel	Key management personnel of our Company in terms of Regulation 2(1)(s) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013, and as disclosed in "*Our Management – Key Management Personnel*" on page 168
Memorandum of Association or MoA	Memorandum of association of our Company, as amended
Nomination and Remuneration Committee	The committee of the Board of Directors constituted as our Company's nomination and remuneration committee in accordance with Regulation 19 of the Listing Regulations and Section 178 of the Companies Act, 2013
Non-Executive Director	A non-executive director on the Board, as appointed from time to time
Other Promoters	Jai Hanuman Shri Siddhivinayak Trust and Om Gaan Ganpataye Bajrangbali Trust
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI ICDR Regulations. For details, see "*Our Promoters & Promoter Group*" on page 171
Promoters	Collectively, the Individual Promoters and the Other Promoters For details, see "*Our Promoters & Promoter Group*" on page 171
Registered Office and Corporate Office	Registered office and corporate office of our Company located at Diamond Prestige 41A, A.J.C Bose Road, 10th floor, Unit no. 1001, Kolkata – 700 017, West Bengal, India
Registrar of Companies / RoC	Registrar of Companies, West Bengal
Restated Consolidated Financial Information	Restated consolidated summary statement of assets and liabilities as at March 31, 2015 and 2014 and restated consolidated summary statement of profit and loss (including other comprehensive income) and restated consolidated summary statement of cash flows for the each of the Financial Years ended March 31, 2015 and 2014 and the restated consolidated statement of changes in equity for the Financial Years ended March 31, 2015 and 2014 of our Company and its subsidiary, namely, Addyashakti Properties Private Limited; and the summary of significant accounting policies, read together with the annexures, read along with all the notes thereto and other financial information contained therein, which have been prepared in accordance with the Companies Act, Ind AS, and restated in accordance with the SEBI ICDR Regulations and included in the section titled "*Financial Statements*" on page 189
Restated Financial Information	The Restated Consolidated Financial Information and the Restated Standalone Financial Information
Restated Standalone Financial Information	Restated standalone summary statement of assets and liabilities as at March 31, 2018, 2017, 2016, 2015, and 2014 and restated standalone summary statement of profit and loss (including other comprehensive income) and restated standalone summary statement of cash flows for each of the Financial Years ended March 31, 2018, 2017, 2016, 2015, and 2014 and the restated standalone statement of changes in equity for the Financial Years ended March 31, 2018, 2017, 2016, 2015, and 2014 of our Company, and the summary of significant accounting policies, read together with the

Term	Description
	annexures read along with all the notes thereto and other financial information contained therein, which have been prepared in accordance with the Companies Act, Ind AS, and restated in accordance with the SEBI ICDR Regulations and included in the section titled "*Financial Statements*" on page 189
Risk Management Committee	The committee of the Board of Directors constituted as our Company's risk management Committee
SAIF Partners	SAIF Partners India IV Limited
Shareholder(s)	Shareholder(s) of our Company from time to time
Shareholders Agreement	Shareholders agreement dated September 26, 2014 as amended on August 20, 2018 entered into between our Company, Individual Promoters, Ranjana Sen, Arpita Day, Tapashi Mullick, Anjana Dutta, Susmita Das and SAIF Partners
Stakeholders' Relationship Committee	The committee of the Board of Directors constituted as our Company's stakeholders' relationship committee in accordance with Regulation 20 of the Listing Regulations

ISSUE RELATED TERMS

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as a proof of registration of the Bid cum Application Form
Allot / Allotment / Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders
Allotment Advice cum Refund Intimation	Note or advice or intimation of Allotment sent to the successful Bidders who have applied for the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee(s)	A successful Bidder to whom the Equity Shares are Allotted
Anchor Escrow Account(s)	Account(s) opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit / NEFT / RTGS in respect of the Bid Amount when submitting a Bid
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations and the Red Herring Prospectus, and who has Bid for an amount of at least ₹100 million
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors at the end of the Anchor Investor Bid / Issue Period in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the BRLMs
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Bid / Issue Period	The day on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed. This shall be one Working Day prior to the Bid / Issue Opening Date
Anchor Investor Issue Price	The final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company in consultation with the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Portion, which may be allocated by our Company in consultation with the BRLMs to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price

Term	Description
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize the relevant SCSB to block the Bid Amount in the relevant ASBA Account
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the ASBA Form
ASBA Bid	A Bid made by an ASBA Bidder, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Issue / Escrow Collection Bank(s) / Collecting Banker	Escrow Collection Bank, Refund Bank and Public Issue Bank
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Issue and which is described in "*Issue Procedure – Part B – General Information Document for Investing in Public Issues – Allotment Procedure and Basis of Allotment*" on page 517
Bid	An indication to make an offer during the Bid / Issue Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid / Issue Period by Anchor Investors pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto, as permitted under the SEBI ICDR Regulations. The term "Bidding" shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut-off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and payable by the Bidder or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid in the Issue
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●]
Bid/Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in two national daily newspapers, one each in English and Hindi, and in one Bengali daily newspaper, Bengali being the regional language of the state where the Registered Office and Corporate Office is located, each with wide circulation, and in case of any revision, the extended Bid/Issue Closing Date shall also be notified on the website and terminals of the Syndicate Members, as required under the SEBI ICDR Regulations. Our Company may, in consultation with the BRLMs, consider closing the Bid/Issue Period for the QIB Portion one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations
Bid/Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in two national daily newspapers, one each in English and Hindi, and in one Bengali daily newspaper, Bengali being the regional language of the state where the Registered Office and Corporate Office is located, each with wide circulation, and in case of any revision, the extended Bid/Issue Opening Date shall also be notified on the website and terminals of the Syndicate Members, as required under the SEBI ICDR Regulations

Term	Description
Bid/Issue Period	Except in relation to Anchor Investors, the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof. Our Company in consultation with the BRLMs, may consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date, in accordance with the SEBI ICDR Regulations
Bidder(s)	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus, and the Bid cum Application Form and unless otherwise stated or implied, includes an ASBA Bidder and an Anchor Investor
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided under Schedule XI of the SEBI ICDR Regulations, in terms of which the Issue is being made
BRLMs or Book Running Lead Managers	The book running lead managers to the Issue namely, IDFC Bank, I-Sec, IIFL, Emkay and YES Securities
Broker Centres	Broker centres notified by the Stock Exchanges where Bidders (other than Anchor Investors) can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
CAN / Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares to be sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid / Issue Period
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price will not be finalised and above which no Bids will be accepted, including any revisions thereof
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI, and who is eligible to procure Bids at the Designated CDP Locations in terms of Circular #CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	The Issue Price, finalised by our Company in consultation with the BRLMs, which shall be any price within the Price Band. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. No other category of Bidder is entitled to Bid at the Cut-off Price
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 ASBA Forms used by Bidders, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Date	The date on which the funds from the Escrow Accounts are transferred to the Public Issue Account or the Refund Account, as appropriate, and the relevant amounts blocked by the SCSBs are transferred from the ASBA Accounts to

Term	Description
	the Public Issue Account and/or are unblocked, as applicable, in terms of the Red Herring Prospectus, after the Prospectus is filed with the RoC
Designated Intermediaries	Syndicate, sub-syndicate members / agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the ASBA Bidders, in relation to the Issue
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	[●]
Draft Red Herring Prospectus / DRHP	This Draft Red Herring Prospectus dated August 20, 2018, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars, including of the price at which the Equity Shares will be Allotted and the size of the Issue
Eligible NRI(s)	NRI(s) eligible to invest under Schedule 3 and Schedule 4 of the FEMA Regulations, from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue, and in relation to whom the ASBA Form and the Red Herring Prospectus will constitute an invitation to subscribe for or purchase the Equity Shares
Emkay	Emkay Global Financial Services Limited
Escrow Collection Bank(s)	Banks which are clearing members and registered with SEBI as 'bankers to an issue' under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and with whom the Anchor Escrow Account will be opened
Escrow Agreement	Agreement to be entered into among our Company, the Registrar to the Issue, the BRLMs and the Banker(s) to the Issue for collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Issue Account and where applicable, refunds of the amounts collected from Anchor Investors, on the terms and conditions thereof
Escrow Account	Accounts opened with the Escrow Bank for the Issue and in whose favour the Anchor Investors will transfer money through direct credit or NACH or NEFT or RTGS in respect of the Bid Amount when submitting a Bid
First Bidder	Bidder whose name is mentioned first in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name also appears as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted
General Information Document / GID	The General Information Document prepared and issued in accordance with the Circular CIR/CFD/DIL/12/2013, dated October 23, 2013 notified by SEBI, and updated pursuant to, *inter alia*, Circular CIR/CFD/POLICYCELL/11/2015, dated November 10, 2015 and Circular SEBI/HO/CFD/DIL/CIR/P/2016/26, dated January 21, 2016, notified by SEBI and suitably modified to include legislative and regulatory updates, and included in "*Issue Procedure*" on page 482
I-Sec	ICICI Securities Limited
IDFC Bank	IDFC Bank Limited
IIFL	IIFL Holdings Limited
Issue	Initial public offering of up to [●] Equity Shares of the Company for cash at a price of ₹[●] per equity share (including a share premium of ₹[●] per equity share) aggregating up to ₹6,000 million
Issue Agreement	The agreement dated August 20, 2018 between our Company and the BRLMs pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Price	The final price at which Equity Shares will be Allotted to the successful

Term	Description
	Bidders, other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the BRLMs on the Pricing Date
Issue Proceeds	The gross proceeds of this Issue
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid bids received at, or above the Issue Price
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Proceeds	Gross proceeds less the Issue expenses and listing fees. For further information about use of the Issue Proceeds and the Issue expenses, see "*Objects of the Issue*" on page 92
Net QIB Portion	The portion of the QIB Portion, less the number of Equity Shares Allotted to the Anchor Investors
Non-Institutional Bidders / NIBs	All Bidders that are not QIBs or Retail Individual Bidders, and who have Bid for Equity Shares for an amount more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion/ Non-Institutional Category	The portion of the Issue being not less than 15% of the Issue consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price
Non-Resident	A person resident outside India, as defined under FEMA and includes an NRIs, FPIs and FVCIs
Price Band	Price band of a minimum price of ₹[●] per Equity Share (Floor Price) and the maximum price of ₹[●] per Equity Share (Cap Price), including any revisions thereof. The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLMs, and will be advertised, at least five Working Days prior to the Bid / Issue Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price, in [●] editions of [●], [●] editions of [●] and [●] editions of [●] (which are widely circulated English, Hindi and Bengali newspapers, Bengali being the regional language of West Bengal, where our Registered Office and Corporate Office is located). It shall also be made available to the Stock Exchanges for the purpose of uploading on their websites
Pricing Date	The date on which our Company in consultation with BRLMs, will finalise the Issue Price
Prospectus	The prospectus to be filed with the RoC, on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations, containing, *inter alia*, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto
Public Issue Account(s)	Bank account(s) to be opened under Section 40(3) of the Companies Act, 2013 to receive monies from the Anchor Escrow Account(s) and ASBA Accounts on the Designated Date
Public Issue Account Bank	The Banker(s) to the Issue with whom the Public Issue Account(s) shall be maintained
QIB Portion	The portion of the Issue (including the Anchor Investor Portion) being not more than 50% of the Issue or [●] Equity Shares, available for allocation to QIBs (including Anchor Investors) on a proportionate basis (in which allocation shall be on a discretionary basis, as determined by our Company, in consultation with the BRLMs), subject to valid Bids being received at our above the Issue Price

Term	Description
Qualified Institutional Buyer(s) or QIBs or QIB Bidders	Qualified institutional buyer(s) as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
Red Herring Prospectus / RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue including any addenda or corrigenda thereto. The Red Herring Prospectus will be registered with the RoC at least three days before the Bid / Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date.
Refund Account(s)	Bank account(s) to be opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors or other Bidders, shall be made if required
Refund Bank(s)	The Bankers to the Issue with which the Refund Account(s) will be opened
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the BRLMs and the Syndicate Members who are eligible to procure Bids in terms of Circular #CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	Registrar agreement dated August 14, 2018, amongst our Company and the Registrar to the Issue
Registrar and Share Transfer Agents or RTAs	Registrars to an issue and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of Circular #CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar to the Issue or Registrar	Karvy Computershare Private Limited
Resident Indian	A person resident in India, as defined under FEMA
Retail Individual Bidder(s) / RIB(s)	Individual Bidders who have Bid for the Equity Shares for an amount of not more than ₹200,000 in any of the bidding options in the [●] (including HUFs applying through their karta and Eligible NRIs)
Retail Category / Retail Portion	The portion of the Issue being not less than 35% of the Issue consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidder(s) in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price
Revision Form(s)	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s). QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage but can make upward revisions in their Bids. Retail Individual Bidders can revise their Bids during the Bid / Issue Period and withdraw their Bids until Bid / Issue Closing Date
Self-Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, and updated from time to time
Specified Locations	The Bidding centres where the Syndicate shall accept ASBA Forms from ASBA Bidders
Syndicate	The BRLMs and the Syndicate Members
Syndicate Agreement	Agreement to be entered into among the BRLMs, the Syndicate Members, our Company and the Registrar to the Issue in relation to collection of Bid cum Application Forms by the Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter
Underwriter(s)	The BRLMs and the Syndicate Members

Term	Description
Underwriting Agreement	The agreement among the Underwriters and our Company to be entered into on or after the Pricing Date, but prior to the filing of the Prospectus with the RoC
Working Day	"Working Day" means all days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid / Issue Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai are open for business; and (c) with reference to the time period between the Bid / Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016
YES Securities	YES Securities (India) Limited

TECHNICAL / INDUSTRY RELATED TERMS / ABBREVIATIONS

Term	Description
GDP	Gross Domestic Product
CAGR	Compounded Annual Growth Rate (as a %); (end year amount/ base year amount ^ (1/ number of gross years between base year and end year) – 1
CRISIL Report	Report published by CRISIL Limited, titled "Assessment of the gems and jewellery industry in India", May 2018
FMCG	Fast Moving Consumer Goods
Footfalls	The number of people who visit the venue/shop in a period of time
Franchise Agreements	Agreements entered into between our Company and franchise partners for setting up Franchise Showrooms using our systems and trademark and for the sale of products on mutually agreed terms
Franchise Showrooms	Franchise showrooms set up pursuant to Franchise Agreements with our franchise partners
Karigar Agreements	Agreements entered into between our Company and *karigars* for manufacturing, carving and processing of jewellery/ ornaments from gold, platinum, diamond and other precious and semi-precious metals into jewellery and other products
Karigars	Job workers who use their skills to carve and process gold, platinum, diamond and other precious and semi-precious metals into jewellery and other products pursuant to Karigar Agreements
Company Operated Showroom	Showrooms that are opened and operated by our Company
WGC	World Gold Council
XRF Machine	X-Ray Fluorescence machine

CONVENTIONAL AND GENERAL TERMS OR ABBREVIATIONS

Term	Description
₹ / Rs. / Rupees / INR	Indian Rupees
AGM	Annual general meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the SEBI AIF Regulations
BSE	BSE Limited
Category I Foreign Portfolio Investors	FPIs who are registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations
Category II Foreign Portfolio Investors	FPIs who are registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations
Category III Foreign Portfolio Investors	FPIs who are registered as "Category III foreign portfolio investors" under the SEBI FPI Regulations which shall include investors who are not eligible under Category I and II foreign portfolio investors such as endowments,

Term	Description
	charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices
CDSL	Central Depository Services (India) Limited
CIN	Corporate identity number
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account
Companies Act	Companies Act, 1956 and / or the Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956, as amended and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections)
Companies Act, 2013	The Companies Act, 2013, as amended and the rules and clarifications issued thereunder to the extent in force pursuant to the notification of the Notified Sections
Consolidated FDI Policy	Consolidated FDI Policy, effective from August 28, 2017, issued by the DIPP including any modifications thereto or substitutions thereof
CSR	Corporate social responsibility
CST	Central sales tax
CST Act	Central Sales Tax Act, 1956
CTC	Cost to company
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
Deposit Rules	Companies (Acceptance of Deposits) Rules, 2014
DIN	Director identification number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DP / Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository Participant's Identification
EBITDA	Earnings Before Interest Taxes Depreciation and Amortisation
EGM	Extraordinary general meeting
EPS	Earnings Per Share
ESOP	Employee Stock Option Plan
EUR	Euro
FDI	Foreign direct investment
FEMA	Foreign Exchange Management Act, 1999, as amended and the rules and regulations thereunder
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, as amended
FIFP	Foreign Investment Facilitation Portal
Finance Act	Chapter V of the Finance Act, 1994
Financial Year / Fiscal(s) / FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year or as at March 31 of that particular year, as the case may be
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations investing under the portfolio investment scheme under Schedule 2A of the FEMA Regulations
FVCI	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
GDP	Gross domestic product
GoI	Government of India
GST	Goods and service tax
HUF	Hindu undivided family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Ind AS	Indian Accounting Standards, prescribed in accordance with the Companies (Indian Accounting Standards) Rules, 2015, as amended
India	Republic of India

Term	Description
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IT Act	Income Tax Act, 1961
Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
N.A./ NA	Not applicable
NAV	Net Asset Value
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the Ministry of Corporate Affairs, Government of India, and are currently in effect
NRI	A person resident outside India who is a citizen of India, as defined under the Foreign Exchange Management (Deposit) Regulations, 2016, or is an 'overseas citizen of India' cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB(s) / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue
P / E Ratio	Price / Earnings Ratio
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit after tax
RBI	The Reserve Bank of India
Regulation S	Regulation S under the Securities Act
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SBLC	Standby Letter of Credit
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
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, 2012
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
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996
Securities Act	U. S. Securities Act of 1933, as amended
Service Tax	Service Tax Rules, 1994
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
Sq. ft.	Square feet
Sq. m.	Square metre
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
Systemically Important Non-Banking Financial Companies	A non-banking financial company registered with the Reserve Bank of India and having a net worth of more than ₹5,000 million as per its last audited financial statements
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares

Term	Description
	and Takeovers) Regulations, 2011
U.S. / USA / United States	United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the USA
USD	United States Dollars
VAT	Value Added Tax
VCFs	Venture capital funds as defined in and registered with SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references in this Draft Red Herring Prospectus to "India" are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state government, as applicable.

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

Financial Data

Unless stated otherwise, the financial information included in this Draft Red Herring Prospectus is derived from our Restated Financial Information. The Restated Financial Information included in this Draft Red Herring Prospectus are prepared in accordance with the Companies Act, Ind AS and the SEBI ICDR Regulations. For further information, see "*Summary Financial Information*" and "*Financial Statements*" on pages 57 and 189, respectively.

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

Our Company's financial year commences on April 1 and ends on March 31 of the next year; accordingly, all references to a particular financial year, unless stated otherwise, are to the 12 months period ended on March 31 of that year.

Our Restated Financial Information have been prepared in accordance with Ind AS. There are differences between the Ind AS, the International Financial Reporting Standards (the "**IFRS**") and the Generally Accepted Accounting Principles in the United States of America (the "**U.S. GAAP**"). Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Ind AS, the Companies Act, the SEBI ICDR Regulations and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. Our Company does not provide reconciliation of its financial information to IFRS or US GAAP. We have not attempted to quantify the impact of the IFRS or the U.S. GAAP on the financial data included in this Draft Red Herring Prospectus and we urge you to consult your own advisors regarding such differences and their impact on our financial data. For details in connection with risks involving differences between Ind AS, US GAAP and IFRS see "*Risk Factors – Our Company has prepared financial statements under Ind AS. Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and U.S. GAAP*" on page 41.

Unless the context requires otherwise, any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 20, 130 and 404, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Financial Information.

Currency and Units of Presentation

All references to "Rupees" or "₹" or "INR" or "Rs." are to the Indian Rupee, the official currency of India. All references to "USD" are to the United States Dollar, the official currency of the United States.

Where specifically indicated, our Company has presented all numerical information in this Draft Red Herring Prospectus in "million" units or in whole numbers where the numbers have been too small to represent in million.

One million represents 1,000,000 and one billion represents 1,000,000,000.

Exchange Rates

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

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and the USD.

Currency	As on March 31, 2014 (₹)(1)	As on March 31, 2015 (₹)(1)	As on March 31, 2016 (₹)(1)	As on March 31, 2017 (₹)(1)	An on March 31, 2018 (₹)(1)
1 USD	60.10	62.59	66.33	64.84	65.04

(Source for 1 USD: https://rbi.org.in)

(1)In the event that March 31 of any of the respective years is a public holiday, the previous calendar day not being a public holiday has been considered

Land and Units of Presentation

Our Company has presented units of land or area in this Draft Red Herring Prospectus in 'square feet'.

Industry and Market Data

Unless stated otherwise, information has been included in this Draft Red Herring Prospectus based on a report published by CRISIL Limited, titled "Assessment of the gems and jewellery industry in India", May 2018 ("**CRISIL Report**") commissioned by us, as well as publicly available documents and information, including, but not restricted to materials issued or commissioned by the Government of India and certain of its ministries, trade, and industry specific publications, and other relevant third-party sources. The CRISIL Report has been prepared at the request of our Company. Further, in this regard, CRISIL has issued the following disclaimer:

"*CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Senco Gold Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval.*"

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but 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 Draft Red Herring Prospectus is reliable, it has not been independently verified by us, the BRLMs or any of their affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" on page 20. Accordingly, investment decisions should not be based solely on such information.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors - This Draft Red Herring Prospectus contains information from industry sources including the industry report commissioned from CRISIL Limited. Prospective investors are advised not to place undue reliance on such information"* on page 39.

In accordance with the SEBI ICDR Regulations, "*Basis for Issue Price*" on page 100 includes information relating to our peer group entities. Such information has been derived from publicly available sources, and neither we, nor the BRLMs have independently verified such information.

Further, Forevermark™ and De Beers® are trademarks of the De Beers Group of companies. These trademarks are not owned by the Company and are used under licensing arrangements described elsewhere in this Draft Red Herring Prospectus.

Signity India Private Limited (Swarovski Gemstones) have no participation and do not have any fund raising involvement and arrangement and no business or financial liability in any way in respect of this Issue.

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

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "will", "will continue", "will pursue", or other words or phrases of similar import. Similarly, statements that describe our Company's strategies, objectives, plans or goals are also forward-looking statements.

All forward-looking statements are based on our current plans, estimates, presumptions and expectations, and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

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

1. changes in Government regulations;
2. business expansion plans not being tracked in time;
3. significant volatility in gold price;
4. the non-availability or high cost of quality gold bullion, silver, diamonds, and precious stones;
5. any adverse change in regulations and/or policies of the Reserve Bank of India regulating sourcing of gold under the gold loan scheme;
6. changes in consumer demands and market trends;
7. competition in our industry;
8. failure to renew existing franchisees or secure new franchisees on commercially acceptable terms; and
9. any fall in our brand's reputation and market perception.

For further discussion of factors that could cause the actual results to differ from the expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 20, 130, and 404, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

Although we believe that the assumptions on which such forward-looking statements are based are reasonable, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management's belief and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Promoters, our Directors, the BRLMs, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company shall ensure that investors in India are informed of material developments from the date of the Draft Red Herring Prospectus in relation to the statements and undertakings made by it in this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Issue.

SECTION II – RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider the information in this Draft Red Herring Prospectus, including the risks, uncertainties and challenges described below, before making an investment in the Equity Shares. You should read this section in conjunction with "Our Business", "Industry Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 130, 106 and 404, respectively, as well as our Restated Financial Information and the other financial and statistical information contained elsewhere in this Draft Red Herring Prospectus. In addition, the risks set out in this section may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. If any or a combination of the following risks, or other risks and uncertainties that are currently unknown or deemed immaterial, actually materialize, our business, financial condition, results of operations and prospects may suffer, the trading price of the Equity Shares may decline, and all or part of your investment in the Equity Shares may be lost. Any potential investor in the Equity Shares should pay particular attention to the fact that we are subject to extensive regulatory environments that may differ significantly from one jurisdiction to another. In making an investment decision, prospective investors must rely on their own examinations of us and the terms of the Issue, including the merits and the risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Issue.

In this section, unless the context otherwise requires, a reference to "our Company" or to "we", "us" and "our" refers to Senco Gold Limited. Unless otherwise stated, the financial information in this section is derived from our Restated Standalone Financial Information. Unless otherwise stated herein, we are not in a position to specify or quantify the financial or other risks mentioned here.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements, as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. Also see, "Forward-Looking Statements" on page 19.

Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries.

Internal risk factors

Risks related to our business and operations

1. We face significant competition in the Indian jewellery market, we risk losing substantial portion of our customers and our market share which will adversely affect our business, financial condition, results of operations and prospects.

Competition in the retail Indian jewellery industry is significant. We operate in highly competitive and fragmented markets, and competition in these markets is based primarily on market trends, pricing and customer preferences. The players in the retail jewellery sector in India often offer their products at highly competitive prices and many of them are well established in their local markets.

Some of our competitors may be larger than us in terms of business volume and may have greater capital, technical capabilities and financial and other resources than us which may enable them to secure opportunities at lower prices or to otherwise incentivize the buyers. In addition, our competitors that are smaller specialized companies may compete effectively against us in a particluar region based on price and their concentrated size and focus. For details of our competitors, see the section "*Our Business – Competition*" on page 142.

Further, we face increasing competition from e-commerce retailers in the jewellery sector in India. E-commerce platforms help smaller players, including those from the unorganized sector, to compete more effectively by showcasing their products; and in turn, providing substantial visibility. We commenced our e-commerce operations in Fiscal 2016, which was considerably later than certain of our competitors who, as a result, may have a more established presence on such platforms. While we do currently use e-commerce platform to increase our sales, we primarily follow a brick and mortar model in which we establish physical presence in different geographies. Further, competitors who are able to adopt an asset-light, low capital expenditure model, focused primarily on e-commerce, may have an advantage over older and more traditional competitors like us (whose sales are more concentrated in retail outlets). While we believe that we currently compete effectively in the e-commerce space, we cannot assure you that we will in the future be able to compete effectively with new competitors who may choose to adopt such a model. Additionally, larger competitors may provide promotional offers to customers, particularly during festivals, which we may not be able to compete with; and which accordingly, could result in, amongst other things, loss of our customers, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

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

Further, the jewellery retailing industry in India has traditionally been dominated by family-owned standalone showrooms, which operated largely on trust. This (unorganised) segment continues to account for majority of the industry even today. (*Source: CRISIL Report*) A significant portion of such jewellery retailers in the unorganised sector operate through partnerships/ proprietary concerns, as compared to our Company, which is regulated by the provisions of the Companies Act. Such corporate structures may offer our competitors in the unorganised sector more flexibility, particularly in terms of access to capital, amongst other things. We cannot assure you that we will be able to compete with the unorganised sector effectively, or at all which could adversely affect our business, results of operations, financial conditions and prospects.

2. ***Our Company requires significant amounts of working capital for continued growth. Our inability to meet our working capital requirements, on commercially acceptable terms, may have an adverse impact on our business, financial condition and results of operations.***

As on June 15, 2018, the amount sanctioned under our Working Capital Consortium Facility were ₹5,500 million and our sanctioned gold loan facilities (outside consortium) were ₹5,930 million. For further details on our working capital facilities and our gold loan facilities, please refer to the section titled "*Financial Indebtedness*" on page 436.

Our business requires a substantial amount of working capital, primarily to finance the purchase of raw materials. We intend to continue growing by setting up new Company Operated Showrooms and increase our focus on sale of diamond jewellery for which we need incremental working capital. Further, in addition to the requirement of funds as provided in "*Objects of the Issue – Funding working capital requirements of the Company*" on page 95, we may need to obtain additional financing in the normal course of business from time to time as we expand our operations. We may not be successful in obtaining additional funds in a timely manner and/or on favourable terms including rate of interest, primary security cover, collateral security, terms of repayment, or at all. Moreover, certain of our loan documentations contain provisions that limit our ability to incur future debt. If we do not have access to additional capital, we may be required to delay, scale back or abandon some or all of our plans or growth strategies or reduce capital expenditures and the size of our operations may get constrained.

Further, we may need to seek funding through additional borrowings or securities offerings. We cannot assure you that such funding will be obtained in a timely manner, on satisfactory terms, or at all. Moreover, if we raise additional debt, our interest expense will increase and our debt covenants under our existing loans may be impacted. If we raise additional funds through the issuance of equity, your ownership interest in our Company will be diluted.

Since gold loans carry lower rate of interest as compared to working capital loans any change in the mix of gold loans to working capital loans may result in an increase in interest costs. We have in the past, and we may even in the future continue, to rely on financial support from our Promoters. For example, we rely on equity contributions, from our Promoters and guarantees from our Promoters for certain financing arrangements entered into by us. There can be no assurance that in the future we will continue to receive financial support from our Promoters or be able to secure alternative sources for such financial support.

Prudential norms including single and group borrower concentration limits prescribed by the RBI to bank lenders in India (as well as corresponding limits under our financing arrangements with such bank lenders) may restrict our ability to seek additional credit facilities from our current bank lenders to fund our business requirements in the future. Therefore, we may be required to maintain multiple banking relationships on an ongoing basis or enter into new banking relationships in the future. We cannot assure you that new bank credit facilities will be available to us in a timely manner, on commercially viable terms, or at all.

Any fluctuations in interest rates may directly impact the interest costs of such loans and, in particular, any increase in interest rates could adversely affect our results of operations. Further, our indebtedness means that a material portion of our expected cash flow may be required to be apportioned towards payment of interest on our indebtedness, thereby reducing the funds available to us for use in our business operations. If interest rates increase, our interest payments will increase and our ability to obtain additional debt and non-fund based facilities could be adversely affected with a concurrent adverse effect on our business, financial condition and results of operations.

3. ***We obtain gold on loan basis, which remains subject to RBI regulations. Any adverse change in the regulations governing gold on loan basis may adversely affect our financial condition and results of operations.***

We source gold for our operations under the gold-metal loans through bullion banks and we also use internal accruals or short term borrowings to fund purchase of gold from independent bullion dealers and to purchase old gold under exchange programs from our customers. As of June 15, 2018, we have sanctioned limits of ₹5,930 million (outside consortium) and ₹1,420.00 million (as sub-limit within consortium through CC limit being earmarked). For further details, please see "*Financial Indebtedness*" on page 436. We benefit from significantly lower effective interest rates by procuring gold through gold metal loans as compared to the interest rates payable if we procure gold by outright purchase using fund-based loans. Gold on loan basis is always subject to such conditions as are imposed by RBI. For further details, see section titled "*Key Regulations and Policies in India*" on page 143. In the event of any adverse regulatory development or in the event that we are otherwise not able to avail such gold loans, we may not be able to benefit from such low interest rates. We cannot assure you that we will always be able to enjoy these benefits. In the event there is any adverse change in these regulations, we may not be able to enjoy the extended usance period or borrow the funds at comparatively lower rates. Such adverse changes may affect our working capital cycle and could have an adverse effect on our financial condition and results of operation.

4. ***A significant portion of our manufacturing work is done by artisans or Karigars who do not work exclusively for us which exposes us to any risks/adverse developments affecting these artisans or Karigars.***

Most of the manufacturing of our jewellery products is done by experienced and skilled *Karigars*. They prepare the jewellery based on designs provided to them by us on job work basis. While we have a written arrangement with them for such work undertaken by them and even though some of them have been working with us for significantly long periods, they do not work exclusively for us. The agreements do not include a provision for non-compete and are of a short duration of two years, with the option to renew. Our competitors may offer them better terms, which may cause them to prefer our competitors over us. As per the terms of the Karigar agreement, payments are typically made to *Karigars* by our Company within 30 days of the date of an invoice. Should some or all of such *Karigars* decide to not undertake manufacturing work of our jewellery products, we will have to strain our resources to find other *Karigars* who may not agree to commercially acceptable terms or at all. Additionally, we may be adversely affected by any theft of the raw material given to the artisans or the *Karigars* while such material is in their possession.

Further, we have not entered into any confidentiality or non-disclosure agreement with any of our *Karigars* and consequently, our jewellery designs may be shared openly in the market which may damage our results of operations. Our designs may be copied by our competitors which could decrease our capability to compete with them and which could further impact our profitability and future revenues.

Our Company has engaged the services of over 100 *Karigars* as on the date of the Draft Red Herring Prospectus. The *Karigars* are also exposed to operating risks such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, other natural disasters and industrial accidents and shortage of skilled and unskilled manpower. Additionally, we supply our Karigars with raw material to manufacture jewellery. While we maintain quality control measures at different stage of our manufacturing process, we may be exposed to risks arising from adulteration of raw material or quality of jewellery and content of the jewellery that is procured by us from our Karigars. The occurrence of any of these events could have a material adverse effect on our business, financial condition and results of operations.

5. ***We rely in part on our franchisees, and if our franchisees cannot develop or finance new showrooms or build them on suitable sites, open them on schedule or manage them successfully, or if we are unable to renew our existing franchisees or secure new franchisees on commercially acceptable terms, our growth and success may be affected.***

As at March 31, 2018, March 31, 2017 and March 31, 2016, we had a total of 45, 40 and 37 Franchise Showrooms, respectively, which formed 50.00%, 47.62% and 50.68% of our total number of showrooms as on the respective year ends. For Fiscals 2018, 2017 and 2016 revenue from sale of products to our Franchisees amounted to ₹7,811.66 million, ₹5,533.89 million and ₹4,985.37 million, respectively; and franchise fees earned from our franchise arrangements amounted to ₹51.03 million, ₹38.94 million and ₹34.13 million, respectively. Our business strategy depends partially on the successful franchising of our brand. We may not be able to identify suitable franchisees or we may not appropriately manage our existing franchisees. Although we have developed criteria to evaluate and screen prospective franchisees, we cannot be certain that the franchisees we select will have the business acumen or financial resources necessary to operate successful franchises. Further, we cannot be certain that our franchisee partners may be able to obtain working capital at favourable terms or at all. While franchisees are independent business operators and have purchase targets laid down under the terms of our franchise agreements, we do not exercise absolute control over their day-to-day operations. We provide training and support to franchisees and set and monitor operational standards, but there can be no assurance that our training and standards will be effective, and the quality of our Franchised Showroom operations may be diminished by various factors beyond our control. The failure of franchisees to maintain required standards could adversely affect our reputation, our brands and our business, financial condition, results of operations and prospects. Further, most of our franchise agreements are for a term ranging from 3 to 6 years and are renewable on mutually acceptable terms. In the event that these existing franchise agreements are terminated or they are not renewed on commercially acceptable terms, it could adversely affect our revenue from operations.

Franchisees, may from time to time disagree with our business strategies or our interpretation of rights and obligations under the franchise agreement. This may lead to disputes with our franchisees, which could have a material adverse effect on our business, financial condition, results of operations and prospects. In addition, if one or more of these franchisees were to become insolvent or otherwise were unwilling or unable to pay us their fees, it could adversely affect our financial condition and results of operations.

6. ***We may not be successful in implementing our brand building, marketing and advertising initiatives for our brands. Any fall in our brand's reputation and market perception "Senco Gold and Diamonds", may adversely affect our business, results of operations and prospects.***

Our business is significantly dependent on the reputation and awareness of our brand, "Senco Gold and Diamonds". We believe that the recognition and reputation of "Senco Gold and Diamonds" among consumers has contributed significantly to the growth and success of our business.

The ability to differentiate our brand, "Senco Gold and Diamonds", and our products from our competitors through our advertisement and sales promotion is an important factor in attracting customers. Additionally, the recognition of our brand "Senco Gold and Diamonds" has enabled us to develop and implement our franchise model through our Franchise Showrooms. As the majority of our income is derived from our retail distribution of gold and gold-studded jewellery and coins, diamond, platinum and silver jewellery products, creating and maintaining public awareness of our brand is crucial to our business and accordingly we invest in various marketing and advertising campaigns. For instance, we have contracted with Sourav Ganguly and Vidya Balan to act as 'brand ambassadors' of our Company to help create brand awareness. Further, we spent ₹346.93 million, ₹375.74 million and ₹421.36 million in Fiscals 2018, 2017 and 2016, respectively, towards advertising and sales promotion expense. If these campaigns are poorly executed, or if our customers lose confidence in our brand for any reason, our ability to attract and retain customers could be adversely affected. Additionally, if we fail to implement our marketing strategies associated with specific seasons, such as the wedding season, or festival such as 'Diwali', 'Dhanteras' and 'Akshay Tritiya', our sales may be adversely affected. There can be no assurances that we will be able to sustain optimal levels of advertisement and sales promotion expenses in the future or that such marketing expenses shall yield desired benefits. Failure to do so could adversely affect our business, financial condition and results of operation.

Our ability to maintain these brands depends on our ability to maintain the popularity, attractiveness and quality of the products and services we offer, maintain or improve consumer satisfaction with our services and products, and increase brand awareness through investment in brand building initiatives. Additionally, our ability to further develop and enhance our brand is contingent on multiple factors, including our ability to incur a significant amount of expenditure on brand development in the future. Our customers have come to expect a high level of quality for our products, and our failure to deliver on that expectation could adversely impact our brands and reputation. In particular, from time to time we plan on launching new products and/or collections. If any such products or collections do not meet our customer expectations, our reputation and revenues may be negatively impacted. In addition, if the customer believes that we do not provide satisfactory products, even if based on isolated incidents, it may damage our reputation, diminish the value of our brand, undermine the trust and credibility we have established and have a negative impact on our ability to attract new customers or retain our current customers. Due to the nature of our business, any adverse publicity, regardless of whether such adverse publicity is valid, or we are actually at fault, may deteriorate our reputation and market perception of our brands which may have an adverse effect on our sales, profitability and the implementation of our growth strategy.

As we expand into new geographic markets within India and overseas, and as the market becomes increasingly competitive, maintaining and enhancing our brand image may become increasingly difficult and expensive. In addition, novelty of our brand in these new geographic markets may diminish over time.

If we fail to maintain our reputation, enhance our brand recognition or increase positive awareness of our products, it may be difficult to maintain and grow our consumer base, which could have a material adverse effect on our financial condition, results of operations, business and growth prospects.

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

Our marketing schemes vary as per occasion, season and the needs of our customers and are tailored to befit occasions such as weddings, anniversaries, birthdays and Valentine's Day, when people customarily buy jewellery. '*Dhanteras*' and '*Diwali*' are amongst the biggest jewellery buying festivals, during which season we generally record higher sales and further, we also capitalise on '*Akshay Tritiya*' or new years of various states such as West Bengal, Odisha and Maharashtra to promote sales. Further, our sales have historically exhibited certain seasonal fluctuations, reflecting higher sales volumes on festivals and other occasions such as 'Teej', 'Bihu' and 'Durga Puja', amongst others, which generally 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 and logistics-related expenses, which form a significant portion of operating costs, are relatively constant throughout the year. Consequently, lower than expected sales during the third or fourth quarters of the fiscal 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 significantly impair our cash flows. Further, as a result of the above, our quarter-on-quarter financial results may not be comparable or a meaningful indicator of our futuristic performance. 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.

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

Timely procurement of materials such as gold, diamonds and precious and semi-precious metals and stones, as well as the quality and the price at which they are procured, play an important role in the successful operation of our business. Gold used in our manufacturing operations, is primarily sourced from nominated banks and agencies in India. We may also require specific quality raw materials including precious stones for a particular jewellery design. Accordingly, our business is significantly affected by the availability, cost and quality of raw materials. The prices and availability 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 banks. Our gold loan arrangements are typically limited by the amount of gold that we can procure under the agreement and we may not be able to renew these agreements, on favourable terms, or at all. 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 and terms 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 diamonds from diamond traders and sightholders and diamond jewellery from diamond jewellery manfacturers 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.

9. Due to the geographic concentration of our sales in the eastern and north eastern regions of India, our results of operations and financial condition are subject to fluctuations in regional economic conditions.

During Fiscals 2018, 2017 and 2016, the eastern and north-eastern regions of India accounted for 66.67%, 65.91% and 75.00% of our Company Operated Showrooms, respectively. For Fiscals 2018, 2017 and 2016, 82.80%, 83.49% and 88.95% of our revenue from sale of products from Company Operated Showrooms, respectively, was generated from these regions. Our concentration of sales in these regions heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in these regions, which may adversely affect our business prospects, financial conditions and results of operations. Any adverse development that affects the performance of the showrooms located in these regions could have a material adverse effect on our business, financial condition and results of operations. In addition, our business may be more susceptible to natural disasters and other catastrophes public disturbances like riots and strikes, than the operations of more geographically diversified competitors.

10. We have been subject to a 'search and seizure' operation by the income-tax department in the past, which has resulted in taxation and criminal proceedings being initiated against our Company and our Individual Promoters. Any adverse outcome of such proceedings might have an adverse effect on our business, financial condition and results of operations.

Search and seizure operations were conducted on our Company at few of our Company Operated Showrooms in Kolkata, residences of our Individual Promoters, our manufacturing facilities, Group Entities and various of our Franchisee Showrooms by officials from the income tax department from December 20, 2016. Based on the search, the Assistant Director of Income Tax ("**ADIT**"), issued notices, amongst others, dated January 4, 2017 and February 24, 2017. The ADIT, by way of the notice dated January 4, 2017, asked our Company to show cause as to why prosecution under Section 277A of the IT Act should not be initiated against our Company, and alleged that at the time of demonetisation, our Company had done business taking illegal tender of currency; our Company tried to hide the names and identities of actual buyers/ carriers of cash by splitting advance vouchers in values below ₹200,000 which were raised in the names of various third persons; our Company abetted in the conversion of unaccounted cash into gold; our Company had not submitted the evidence of sales on the advances that it had undertaken; and our Company had not made valid sales against the advances taken and that the same would be considered as unaccounted cash credit.

In the show cause notice dated February 24, 2017, the ADIT has sought information and explanations from the Company, amongst other things, in relation to (a) differences between details of advances furnished by our Company and the statements of the customers that were recorded on oath before the ADIT; (b) the items described by our Company being delivered to the customers not matching with the actual items delivered to the customers (as per the video footage submitted by our Company); (c) the rationale for the Company charging a 10-15% premium on its products; (d) why single sale made to customers were split into multiple invoices in the name of various third persons to reflect amounts lesser than ₹2,00,000; and (e) why the Company charged making charges on gold bullion thereby allegedly inflating expenses i.e payments to *Karigars*.

Further, the Deputy Director of Income Tax (Investigation), Unit-2(1), Kolkata filed a criminal complaint against our Company and our Individual Promoters and Directors, Sankar Sen and Suvankar Sen under section 277A of Income Tax Act, 1961 alleging that our Company had accepted old and illegal tender, post demonetization, on November 8, 2016; and that sales recorded in the books of accounts of our Company as having been made on

November 8, 2016 were actually made post November 8, 2016 and were deliberately recorded as having been made on November 8, 2016 in the books of the Company.

For further details of the taxation and criminal proceedings initiated against the Company and our Individual Promoters by the income tax department, please refer to "*Outstanding Litigation and Other Material Developments—Litigation involving our Company—Criminal proceedings against our Company*" and "*Outstanding Litigation and Other Material Developments—Litigation involving our Company—Actions by statutory or regulatory authorities against our Company*" on page 446 and page 447, respectively. Any adverse outcome of such proceedings shall result into civil or criminal liability with maximum imprisonment extending from three months to seven years and fine, which might result in a material adverse effect on our reputation and that of our Individual Promoters, and on our business prospects, financial condition and results of operations.

11. We, as well as our Directors, Promoters and Group Entities are involved in certain legal and regulatory proceedings that, if decided adversely, may adversely affect our business, results of operations and financial condition.

There are certain outstanding legal proceedings involving our Company, our Promoters and our Directors. These proceedings are pending at different levels of adjudication before various courts, tribunals, quasi-judicial authorities and appellate tribunals. A summary of proceedings involving our Company, Directors and Promoters as of the date of this Draft Red Herring Prospectus is provided below:

Litigation against our Company

S. No.	Nature of proceeding	No. of proceedings outstanding	Aggregate/approximate amount involved (*₹ in million)*
1.	Direct tax	10	86.75*
2.	Indirect tax	21	54.17**
3.	Criminal proceedings	1	Not ascertainable
4.	Statutory and Regulatory proceedings	1	Not ascertainable

**From the ten proceedings mentioned, the pecuniary amount involved in five proceedings is ₹86.75 million and the pecuniary amount involved in the other five proceedings are not ascertainable.*
*** From the 21 proceedings mentioned, the pecuniary amount involved in nine proceedings is ₹54.17 million and the pecuniary amount involved in the other 12 proceedings are not ascertainable.*

Litigation against our Directors

S. No.	Nature of proceeding	No. of proceedings outstanding	Aggregate/approximate amount involved (*₹ in million)*
1.	Direct tax	2	Not ascertainable
2.	Indirect tax	2	Not ascertainable
3.	Criminal proceedings	2	Not ascertainable
4.	Statutory and Regulatory proceedings	1	Not ascertainable

Litigation against our Promoters

S. No.	Nature of proceeding	No. of proceedings outstanding	Aggregate/approximate amount involved (*₹ in million)*
1.	Direct tax	2	Not ascertainable
2.	Indirect tax	2	Not ascertainable
3.	Criminal proceedings	2	Not ascertainable
4.	Statutory and Regulatory proceedings	1	Not ascertainable

Litigation against our Group Entities

S. No.	Nature of proceeding	No. of proceedings outstanding	Aggregate/approximate amount involved *(₹ in million)*
1.	Direct tax	8	Not ascertainable
2.	Indirect tax	1	Not ascertainable
3.	Statutory and Regulatory proceedings	1	Nil

The amounts claimed in these legal proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. If any new developments arise, such as a change in the applicable laws or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current liabilities. For details of certain material legal proceedings against our Company, our Promoters, our Directors and Group Entities, see "*Outstanding Litigation and Material Developments*" on page 446.

In addition, we are involved in a dispute before the West Bengal State Consumer Redressal Forum, which pertains to the gold rates charged to a customer in the year 2012. In the event that such matters or any other consumer dispute is adversely determined against our Company, we may be subjected to multiple similar claims from existing and past customers, which may adversely impact our financial conditions. Further, any adverse decisions in relation to the quality or purity of our jewellery may adversely impact our brand.

We cannot assure you that these legal proceedings will be decided in favour of our Company, our Promoters or our Directors, as the case may be, or that no further liability will arise out of these proceedings. Further, such legal proceedings could divert management time and attention and consume financial resources. Any adverse outcome in any of these proceedings may adversely affect our profitability and reputation and may have an adverse effect on our results of operations and financial condition.

12. ***Failure to manage our inventory could have an adverse effect on our net sales, profitability, cash flow and liquidity.***

As of March 31, 2018, we had total inventories consisting of raw materials, stock in trade and finished goods amounting to ₹8,368.31 million. Our results of operations are dependent on our ability to effectively manage our inventory. To effectively manage our inventory, we must be able to accurately estimate customer demand and supply situation and manufacture/ purchase additional inventory accordingly. If our management has misjudged expected customer demand it could adversely impact the results by causing either a shortage of inventory in showrooms leading to loss of revenue and profits or an accumulation of excess inventory. Further, if we fail to sell the inventory we manufacture or purchase, we may be required to recycle our inventory, which would lead to loss of material and subsequently, an adverse impact on our revenue, profit and cash flows. The price of gold fluctuates on the basis of demand and supply. If the price of gold decreases in future, we may not be able to recover the cost of material which could affect our profitability. Our inventory turnover ratio (Adjusted Revenue divided by inventories) decreased from 3.06 in Fiscal 2017 to 2.64 in Fiscal 2018.

For export operations, normally we manufacture jewellery based on orders received from customers, which reduces our required working capital investment in inventory. However, we may experience cancellation of export orders which may result in accumulation of excess inventory. In such situation, we will need to offer jewellery to other customers at a mutually agreed price. In the event we fail to sell such jewellery, we will be compelled to recycle the jewellery. Any adverse change in the value of gold, silver and diamonds would reduce the value of our inventory, which could have a material adverse effect on our profitability and results of operations. A significant change in the export orders, could have a material adverse effect on our net sales, cash flows and liquidity. Additionally, we may face a credit risk from our customers in connection with our export obligations.

13. ***Our financing agreements contain covenants that limit our flexibility in operating our business. Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, credit rating, results of operations and financial condition.***

As of June 15, 2018, our total outstanding indebtedness was ₹5,169.83 million (including gold metal loans of 989 kilograms amounting approximately to ₹2,959.42 million). Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our business.

Most of our financing arrangements are secured by our movable and immovable assets and personal guarantees by our Individual Promoters and a member of our promoter group, namely, Sankar Sen, Suvankar Sen and Ranjana Sen. Our financing agreements typically include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions and also covenants which require, inter alia, our Promoters to maintain a minimum threshold of shareholding and management control in our Company.

Specifically, under our financing agreements, we are required to obtain the prior consent from our lenders for, among other things, the following matters: (i) changing or in any way altering the capital structure of our Company; (ii) changing our name or trade name or making or attempting to make any alterations of our Memorandum or Articles or other constitutional documents which may or may not have an impact on the ability of our Company to fulfill its obligations to the lenders; (iii) effecting any change in the shareholding of the Promoter(s) (a) gets diluted below the current level or (b) leads to dilution in controlling stake for any reason (whichever is lower), Directors, or Shareholders (including by issue of new shares or transfer of shares) in our Company or changing the control/ownership over our Company's management; (iv) permitting or effecting any buy-back, demerger, reduction in capital, sale of any undertaking, reorganization, new project/scheme, arrangement or compromise with our creditors or shareholders, or entering into any scheme of amalgamation or reconstruction structuring, restructuring, spin offs or hive offs or make investment in fixed assets in associate/group companies; (v) implementing a new scheme of expansion/diversification/modernization or taking up an allied line of business or manufacture; and (vi) make any corporate investments or investment, by way of share capital or debentures or lend or advance funds to or place deposits with, any other concern except give normal trade credits or place on security deposits in the normal course of business, without the permission of the concerned lender.

Further, our arrangements with some of our lenders require us, in the event of a default in repayment or prepayment, to convert the whole or part of the outstanding amount into fully paid up Equity Shares. See "*Financial Indebtedness*" on page 436.

Our financing agreements also typically contain certain financial covenants including the requirement to maintain, among others, specified debt-to-equity ratios. These covenants vary depending on the requirements of the financial institution extending the loan and the conditions negotiated under each financing document. Such covenants may restrict or delay certain actions or initiatives that we may propose to take from time to time. We cannot assure you that we have complied with all such covenants in a timely manner or at all or that we will be able to comply with all such covenants in the future or that we shall be able to obtain waiver for such non-compliance. A failure to observe the covenants under our financing arrangements or to obtain necessary consents required thereunder may lead to the termination of our credit facilities, levy of penal interest, acceleration of all amounts due under such facilities and the enforcement of any security provided. Any acceleration of amounts due under such facilities may also trigger cross default provisions under our other financing agreements. If the obligations under any of our financing agreements are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Further, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing and it may adversely affect our brand, negatively affecting our revenue from operations and shall push the rates of financing higher. In addition, third parties may have concerns over our financial position and it may be difficult to market our financial products. Any of these circumstances could adversely affect our business, credit rating, results of operations and financial condition. Moreover, any such action initiated by our lenders could result in the price of the Equity Shares being adversely affected.

Our ability to finance our capital expenditures is also subject to a number of risks, contingencies and other factors, some of which are beyond our control, including borrowing or lending restrictions under applicable laws and the terms of our financial and other arrangements, our own profitability and liquidity, the licensing and taxation regime within which we operate, and general economic and market conditions. Any inability to obtain sufficient financing, or any significant unanticipated expenses or cost escalations, could result in the delay or abandonment of our business and expansion plans. As a result, if adequate capital is not available to us in a timely manner and on commercially viable terms, this could have an adverse effect on our business, financial condition, results of operations and prospects.

14. ***Our ability to attract customers is dependent on the success and visibility of our Company Operated Showrooms. Our failure to attract optimal volume of customers to our Company Operated Showrooms could materially and adversely affect our business, financial condition and results of operations.***

We endeavour to open showrooms in optimal locations and generally consider a relevant location's catchment area, demographics, spending capacity, economic conditions, cost-benefit analysis and proximity to our competitors. Sales at our Company Operated Showrooms are derived, in part, from the volume of customer visits in the relevant locations. Showroom locations may become unsuitable due to, and our sales volume and customer traffic generally may be slowed by, among other things: economic downturns in a particular area; competition from nearby jewellery retailers; increased rentals; changing consumer demographics in a particular market; changing lifestyle choices of consumers in a particular market; and the popularity of other businesses located near the location. Along with our dependence on customers visiting our showrooms, our success is dependent upon the continued popularity of particular locations. Changes in areas around our Company Operated Showrooms' location that result in reductions in customer traffic or otherwise render the location unsuitable could result in reduced sales volume, which could materially and adversely affect our business, financial condition and results of operations. For instance, in Fiscal 2018, we closed one of our Company Operated Showroom in Bengaluru and relocated another Company Operated Showrooms within the city because of inadequate customer footfall at these Company Operated Showrooms.

15. ***Our revenues have been significantly dependent on gold jewellery sales, which accounted for 93.67%, 94.50% and 94.54% of our revenue from sale of products for Fiscals 2018, 2017 and 2016, respectively. Any factors adversely affecting the procurement of gold or our sales of gold jewellery may negatively impact our business, financial condition, results of operations and prospects.***

Gold jewellery sales (includes manufactured and traded goods) amounted to ₹20,686.71 million, ₹17,339.44 million and ₹14,386.94 million in Fiscals 2018, 2017 and 2016, respectively. This accounted for 93.67%, 94.50% and 94.54% of our revenue from sale of products in Fiscals 2018, 2017 and 2016, respectively. Accordingly, any factors adversely affecting our sales of gold jewellery may negatively impact our business, financial condition, results of operations and prospects.

The availability of gold, being our key raw material, may be adversely affected due to various reasons, which might affect our production of gold jewellery. Any decrease in supply of gold or our inability to effectively procure gold at competitive rates, in time, or at all, may adversely impact our business, financial condition, results of operations and growth prospects. Further, factors that may adversely impact sale of gold jewellery, such as imposition of increased KYC regulations or changing consumer preferences, may lead to decrease in our revenues.

16. ***Our integrated operations and the diversity of the Indian 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.***

The Indian retail jewellery market is diverse and both customer preferences and seasonal purchases vary across different geographies within the country. As on the date of this DRHP, we have 48 Company Operated Showrooms and 45 Franchise Showrooms. As we expand our network of showrooms, we will be exposed to various challenges, including those relating to identification of potential markets, different cultures and customer preferences, regulatory regimes, business practices and customs. We may require significant financial resources for setting up our new Company Operated Showrooms, including capital expenditure, financing inventory and hiring of additional employees for our new Company Operated Showrooms. We may be required to obtain loans to finance such expansion and we may not be successful in obtaining such funds in a timely manner and/or on favourable terms including rate of interest, primary security cover, collateral security, terms of repayment, or at all. We will also be required to obtain certain approvals to carry on business in new locations and there can be no assurance that we will be successful in obtaining such approvals. Further, we expect our expansion plans to place significant demands on our managerial, operational and financial resources, and our expanded operations will require further training and management of our current employees and the training and induction of new employees. In addition, as we enter new markets, we face competition from regional or national players, who may have an established local presence, and may be more familiar with local customers' design preferences, business practices and customs. Additionally, we may face a credit risk from our customers in connection with our export obligations; and from our franchisees in connection with inventory sold to them, either outright or on credit terms at times of high demand.

Our revenue from operations has increased at a CAGR of 20.23% from Fiscal 2016 to Fiscal 2018 and our profit for the year has increased at a CAGR of 116.82% from Fiscal 2016 to Fiscal 2018. Our historic growth rates or results of operations are not representative or reliable indicators of our future performance. While we intend to continue to expand our operations in India, we may not be able to sustain historic growth levels, and may not be able to leverage our experience in our existing markets in order to grow our business in new markets.

An inability to effectively manage our expanded operations or pursue our growth strategy may lead to operational and financial inefficiencies, which may result in a material adverse effect on our business prospects, financial condition and results of operations.

17. ***If we are unable to open new Company Operated Showrooms as per our business plan, it could have a material adverse impact on our business and growth prospects.***

We currently have 93 showrooms located across 72 cities in India. Our success in achieving future growth is dependent upon our ability to set up our new Company Operated Showrooms and hiring staff for these showrooms. As the success of any retail business is significantly dependent upon identifying the best possible locations for showrooms at a competitive cost, we have a team that is responsible for finding locations to lease for the purposes of opening new Company Operated Showrooms. We must compete with other retailers to lock in locations for new Company Operated Showrooms. We cannot assure you that we will be able to expand and grow at the rate at which we plan to, as we may not be able to find suitable properties for new Company Operated Showrooms at prices that are viable for our business or at all. If we are not able to lease the locations at the time, place and cost that we desire, the same may have a material adverse impact on our business and growth prospects.

Further, as we expand our network of Company Operated Showrooms and Franchise Showrooms, we will be exposed to various challenges. We may be required to obtain loans to finance such expansion and the resultant increase in working capital requirements; and there can be no assurance that such loans will be available to us on commercially acceptable terms, or at all. We will also be required to obtain certain approvals to carry on business in new locations and there can be no assurance that we will be successful in obtaining such approvals. Further, we expect our expansion plans to place significant demands on our managerial, operational and financial resources, and our expanded operations will require further training and management of our employees and the training and induction of new employees. In addition, as we enter new markets, we face competition from both organized and unorganized national and international players, who may have an established local presence, and may be more familiar with local customers' design preferences, business practices and customs.

While we intend to continue to expand our operations across India, as we expand our showroom network, we will be exposed to various challenges, including those relating to identification of potential markets, different cultures and customer preferences, regulatory regimes and business practices. We may not be able to sustain growth levels, and may not be able to leverage our experience in our existing markets in order to grow our business in new markets. An inability to effectively manage our expanded operations or pursue our growth strategy may lead to operational and financial inefficiencies, which could have a material adverse effect on our business prospects, financial condition and results of operations.

18. ***The use of the words "Senco" in the corporate and trading names by certain third parties who have the right to use those words in their names 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.***

We believe that primary factors in determining customer buying decisions in India's jewellery sector include price, confidence in the merchandise sold, and the level and quality of customer service. The ability to differentiate our products from competitors by our brand-based marketing strategies is a key factor in attracting consumers.

We have applied for the trademark "Senco Gold & Diamonds" and "Senco Gold & Diamonds Craftsmanship for You" which has been objected to. If any of our unregistered trademarks are registered in favour of a third party, we may not be able to claim registered ownership of such trademarks and consequently, we may be unable to seek remedies for infringement of those trademarks by third parties other than relief against passing off by other entities. Our current business was carried on by our Promoters as an unincorporated entity from 1966 until our Company was incorporated. Prior to incorporation of our Company, the unincorporated entity through which we were conducting our business was reconstituted several times owing to the retirement of partners. By the deeds of retirement, certain of these retiring partners have the right to use the brand name "Senco" with the modifications through prefixes and suffixes specified in the respective deeds. Consequently, these retiring partners and their heirs use the name "Senco" with prefix or suffix as a part of their trade name or corporate name. The use of the words "Senco" in the corporate and trading names of these 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.

19. ***The Objects of the Issue for which funds are being raised, are based on our management estimates and the same have not been appraised by any bank or financial institution or any independent agency. The deployment of funds in the project is entirely at our discretion, based on the parameters as mentioned in the chapter titled "Objects of the Issue".***

The fund requirement and deployment, as mentioned in the "*Objects of the Issue*" on page 92 of this Draft Red Herring Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. Further, we cannot assure that the actual costs or schedule of implementation as stated in the chapter "*Objects of the Issue*" will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

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

We are governed by various laws and regulations for our business and operations. We are required, and will continue to be required, to obtain and hold relevant licenses, approvals and permits at the local, state and central government levels for doing our business.

Additionally, we may need to apply for renewal of certain approvals, licenses and permits, which expire or seek fresh approvals/licenses/permits, from time to time, as and when required in the ordinary course of our business. There can be no assurance that the relevant authorities will issue such licenses, permits or approvals in the timeframe anticipated by us or at all. Our failure to renew, maintain or obtain the required licenses, permits or approvals within the requisite time may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

Our permits, licenses and approvals are subject to several conditions, some of which could be onerous and we cannot assure you that we shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, which may lead to cancellation, revocation or suspension of relevant permits/licenses/approvals. The loss of approvals, licenses and permits may cause disruptions in our business operations and may cause us to undertake significant expenditure to rectify non-compliance or denial of approvals, including relocation of facilities and loss of the use of one or more of our showrooms. Further, we cannot assure you that penalties under applicable laws would not be imposed on us in the event of non-compliance or alleged non-compliance with any of the terms or conditions thereof, or pursuant to any regulatory action. For details of key regulations applicable to our business and our operations, see "*Key Regulations and Policies in India*" on page 143 and for details of approvals relating to our business and operations, see "*Government and Other Approvals*" on page 454.

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

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

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

Moreover, we believe that while historically, gold jewellery has been purchased as an investment asset by consumers, there is a changing trend in consumers to invest such funds in other asset classes, which may adversely affect our business, financial condition and results of operations. Additionally, the prices of gold and diamonds at a particular time also affect the decision of our customers to purchase jewellery.

22. If we were to lose the services of members of our senior management team or key management personnel, our business and prospects may be adversely affected. Moreover, our failure to attract, motivate and retain sufficient skilled designers, craftsmen and sales personnel may adversely affect our business, results of operations, financial condition and prospects.

As of June 30, 2018, we had 1,290 full time employees which included 12 designers, and 5 marketing and 941 retail sales personnel. Our future success depends in substantial part on our ability to recruit, hire, motivate, develop, and retain talented and highly skilled personnel and our senior management. We believe that the inputs and experience of our senior management are valuable for the development of business and operations and the strategic directions taken by our Company. For details in relation to the experience of our Key Management Personnel, see "*Our Management*" on page 153. There is no assurance, however, that these individuals or any other member of our senior management team will not leave us or join a competitor, in the future. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all.

Further, in the jewellery industry, the level and quality of sales personnel and customer service and designs are key competitive factors and an inability to recruit, train and retain suitably qualified and skilled sales personnel could adversely impact our reputation, business prospects and results of operations. Achieving this objective may be difficult due to many factors, including fluctuations in economic and industry conditions, shortages in skilled personnel, competitors' hiring and retention practices, new entrants into the market, and the effectiveness of our hiring, compensation and retention programs.

Our annualized employee attrition rates for Fiscal 2018 was 23.51%, which we believe to be consistent for an organisation of our size and in our business. If we do not succeed in retaining, training and motivating our existing employees, including our Key Management Personnel, and in attracting and training new personnel, our business, results of operation, financial condition and prospects may be adversely affected.

23. If we are unable to continue to develop innovative, fashionable and popular designs, demand for our jewellery may decrease, adversely affecting our revenues and financial condition.

The jewellery industry is subject to rapid and unpredictable changes in fashion trends and customer preferences. As on June 30, 2018, we have a jewellery designing team of 12 members responsible for introducing new and innovative designs for our jewelleries. Customer preferences for jewellery designs and types may vary significantly from region to region in India. In addition, the availability and consumer acceptance of alternate stones such as cubic zirconia, moissanite or laboratory-created diamonds has resulted in rapidly changing consumer preferences.

Our success depends largely on our ability to anticipate, gauge and respond to these changing consumer preferences and trends in a timely manner, while preserving and strengthening the perception and authenticity of our brand. We rely on handcrafted jewellery, if handcrafted jewellery is perceived out of fashion, a large variety of our designs will be rendered obsolete. We must therefore continue to develop innovative, trend-setting and stylish jewellery designs that are different from our competitors. Market acceptance of new designs and products is subject to uncertainty and we cannot assure you that our efforts will be successful. The inability of new designs or new jewellery lines to gain market acceptance or our inability to cater changing customer preferences could adversely affect our brand image, our business and financial condition. Achieving market acceptance for new designs or new jewellery lines may also require substantial marketing efforts and expenditures to increase consumer demand, which could constrain our management, financial and operational resources. If new designs we introduce do not experience broad market acceptance, our revenues could decline. In addition, due to the competitive nature of the jewellery market in which we operate, the innovative designs remain the key differentiators, which normally possess short life span.

24. Some of our Group Entities have incurred losses in the preceding financial years and have negative net worth, based on the last audited financial statements available.

Some of our Group Entities have incurred losses in the preceding financial years and have negative net worth, based on the respective Group Entities' last available audited financial statements. For further details, see "*Group Entities–Group entities with negative net worth"* and "*Group Entities–Loss making Group Entities*" beginning on pages 181 and 185, respectively. We cannot assure you that our Group Entities will not incur losses or have negative net worth in the future.

25. Some of our Group Entities have availed unsecured loans that can be recalled by the lenders at any time.

As on March 31, 2018, unsecured loans have been availed by certain Group Entities, namely, Senco Infrastructure Private Limited, Mangoe Construction Private Limited, Rachna Vintrade Private Limited, Roopmahal Merchantile Private Limited, Lokenath Dealers Private Limited and Rangoli Shoppers Private Limited, from our Individual Promoters and others, which can be recalled by the lenders at any time. For further details, please see "*Group Entities*" on page 177. We cannot assure you that our Group Entities will not obtain such unsecured loans in the future.

26. Volatility in the market price of gold and diamonds has a bearing on the value of our inventory and may affect our income, profitability and scale of operations.

The jewellery industry generally is affected by fluctuations in the price and supply of gold, to a lesser extent, diamonds and other precious and semi-precious metals and stones. Gold prices have been volatile in the recent past, although, there has been an increased investment demand for gold globally. During Fiscals 2018, 2017 and 2016, we spent ₹17,674.59 million, ₹16,318.98 million and ₹14,798.84 million on purchases of materials (which includes gold bar, silver bar, platinum bar, diamond, precious/semi-precious stones, novelty and accessories). Fluctuations in gold prices may affect consumer demand as well as operating costs of our Company. An increase in the price of gold 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 gold or a negative outlook on future gold prices could, in the short term, adversely affect our sales volumes. Any such fluctuation in the price of gold, diamonds or other raw materials may materially and adversely affect our revenue from operations and profitability. Additionally, as on the date of the DRHP our Company does not have a hedging policy in place to mitigate the risk of fluctuations in gold prices. We record the value of our inventory at the lower of net realisable value and cost, which in the case of gold and diamonds is the annual weighted average cost. As at March 31, 2018, our inventory of gold (includes raw material, finished goods and stock in trade) was ₹6,497.06 million and our inventory of diamonds (finished goods) was ₹1,402.76 million. Our inventory turnover ratio (Adjusted Revenue divided by inventories) decreased from 3.06 in Fiscal 2017 to 2.64 in Fiscal 2018. We endeavour to buy the same quantity of gold at the end of each period to match the amount of gold sold during that period. Although this reduces our exposure to volatility in the price of gold, it does not eliminate it. A pro-longed decline in the price of gold and diamonds would have an adverse effect on the value of our gold and diamond inventory, which would have an adverse effect on our results of operations and financial condition.

27. Some of our corporate records, statutory filings and educational qualifications of our Key Management Personnel are lost or not traceable in relation to certain disclosures made in this Draft Red Herring Prospectus.

Certain corporate records and regulatory filings made by us, including those in relation to form filings made with the registrar of companies for historical issuances and allotments of equity shares of our Company are not traceable. Accordingly, our Company had appointed a practicing company secretary to undertake a search of the documents at the office of the RoC. We have relied on the report of such practicing company secretary dated May 31, 2018, namely MR & Associates, for disclosure made in this Draft Red Herring Prospectus. Further, our minutes books for the period from our incorporation till 2001 have been lost and although we have filed a first information report dated January 8, 2008, with the Entally Police Station, Kolkata, there can be no assurance that we will be able to recover such records. We have not been able to retrieve the aforementioned documents, and accordingly, have relied on other documents, including our annual reports and audited financial statements for such matters. Further, we have relied on the marksheets of Ranjana Sen and certain of our Key Management Personnel, for corroborating their educational qualification, as their degree certificates were not traceable.

We cannot assure you that such corporate records will be available in the future. We cannot assure you that we will not be subject to any penalty imposed by the competent regulatory authority in this respect or that we will not incur additional expenses arising from our inability to furnish correct particulars in respect of the RoC filings or other corporate records, or for misrepresentation of facts which may occur due to non-availability of documents.

28. Our agreements with Swarovski and Forevermark impose restrictive covenants on us that may limit our ability to control our operations for certain of our brands and subject us to penalties for violation of licensing terms, which in turn may affect our profitability and future prospects.

We have entered into an ingredient branding agreement with Signity India Private Limited dated September 25, 2017 for the use of 'Swarovski Zirconia' in our Gossip collection in 925 Sterling Silver Jewellery with pearls and Swarovski Zirconia. The agreement is valid till September 24, 2018. This agreement imposes certain restrictions on the usage of the Swarovski brand and its associated trademarks. Any infringement of the terms of this agreement by us or our franchisees may subject us to penalties and litigation, any of which could cause diversion of management attention from our business and affect our profitability, results of operations and future prospects. Further, any such incidents may compel us to discontinue a particular type or brand of jewellery, which may adversely impact our profitability and future prospects.

Further, we have entered into an agreement with Forevermark Limited for supply of diamonds and sale of 'Forevermark' branded jewellery through certain of our showrooms. In terms of the agreement, we are obligated to maintain minimum inventory levels of certain Forevermark jewellery and are required to pay minimum fees to Forevermark Limited. The terms of this agreement may compel us to maintain levels of diamond jewellery in excess of our requirements or make payment of minimum amounts, irrespective of sales of associated diamond jewellery. Failure to meet our obligations under these agreements may subject us to minimum payments, penalties and associated reputational risk. Further, the termination of our agreements with Signity India Private Limited or Forevermark Limited may cause us to seek other less viable alternatives or to stop sale of certain brands or kinds of jewellery altogether, which may affect our future prospects and results of operations.

29. Our inability to obtain bank realisation certificates in connection with customs duty deposits to be made by us in respect of gold provided to The Bank of Nova Scotia may adversely impact our results of operations and profitability.

Our Company has received a letter dated February 14, 2018 from The Bank of Nova Scotia ("**BNS**") stating that BNS was in receipt of a letter issued by the Directorate of Revenue Intelligence, Kolkata ("**DRI**") directing BNS to deposit customs duty along with interest in respect of gold provided by BNS to us and for which, copies of bank realisation certificates ("**BRCs**") had not been submitted. The non-submission of BRCs by our Company pertains to transactions carried out in Fiscal 2014 by our Company and our erstwhile subsidiary, Senco Gold Impex Private Limited. Since Senco Gold Impex Private Limited was amalgamated with our Company, due to an accounting error, remittances received against export of gold from the DTA unit of our Company were netted off against exports made by SEZ unit of Senco Gold Impex Private Limited. On account of the above, import duty payable for jewellery exported by the SEZ unit remained unadjusted. Our Company has since made applications to the Authorised Dealer, Axis Bank Limited for the rectification of the records as no amounts remained due and outstanding to the buyers and for the issue of BRCs in respect of the above transactions. Axis Bank Limited has subsequently referred the matters to the RBI. RBI, by way of letters dated August 31, 2017 and March 28, 2018 sought certain confirmations and documents from Axis Bank Limited in respect of the above transactions. Thereafter, the RBI, by way of letter dated June 19, 2018, addressed to Axis Bank Limited, has stated that netting off of export receivables against import payables cannot be allowed and these transactions are to be settled on a gross one-to-one basis and the applicable reporting guidelines be complied with. Additionally, the letter states that such settlement on gross one-to-one basis is without prejudice to the action taken by the DRI.

Pending disposal of the matter by the RBI, we have written to BNS, requesting them not to deposit the customs duty and interest on 100.88 kgs of gold, sought by the DRI till the settlement of the matter by the RBI. We are unable to quantify the exact financial implication of the matter, however, should we fail to receive the BRCs from Axis Bank Limited, we may be required to compensate BNS for customs duty and interest paid by them on our behalf, which may adversely impact our results of operations and profitability.

30. Our ability to access capital depends on our credit ratings. Non availability of credit ratings or a poor rating may restrict our access to capital and thereby adversely affect our business and results of operations.

The cost and availability of capital, among other factors, depend on our credit ratings. Our debt has been rated CRISIL A-/Stable by way of letter dated April 16, 2018, by CRISIL Limited. Our credit ratings reflect, amongst other things, the rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Our inability to obtain such credit ratings in a timely manner or any non-availability of credit ratings, or poor ratings, or any downgrade in our ratings may increase borrowing costs and constrain our access to capital and lending markets and, as a result, could adversely affect our business and results of operations. In addition, non-availability of credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement financing arrangements.

31. We have entered into transactions with related parties. These or any future related party transactions may potentially involve conflict of interest and there can be no assurance that we could not have achieved better terms, had such arrangements been entered into with unrelated parties.

We have entered into various transactions with related parties, including for lease of certain properties on which we operate our Company Operated Showrooms. For further details regarding the related party transactions entered into by us in the last 5 years, please see our Restated Financial Information. While we believe that all such transactions have been conducted on an arm's length basis and contain commercially reasonable terms, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future. Although all material related party transactions that we may enter into, will be subject to board or shareholder approval, as necessary under the Companies Act 2013 and the Listing Regulations, there can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. Such related party transactions may potentially involve conflict of interest. See "*Related Party Transactions*" and "*Financial Information*" on pages 186 and 189, respectively.

We cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, financial condition and cash flows.

32. We have not registered certain trademarks used by us for our business and our inability to obtain or maintain these registrations may adversely affect our competitive business position. Our inability to protect or use our intellectual property rights may adversely affect our business.

Our name and trademarks are significant to our business and operations. We believe that several of our trade names have significant brand recognition. The use of our brand name or logo by third parties could adversely affect our reputation, which could in turn adversely affect our financial performance and the market price of the Equity Shares. We have made applications for registration of trademark in relation to our Company, including our Company's logo and other marks. We have received objections from the Registrar of Trademarks in relation to certain other applications made for the registration of trademarks. See "*Our Business – Intellectual Property*" and "*Government and Other Approvals*" on page 142 and page 454, respectively. Accordingly, these registrations have not yet been granted as on the date of this Draft Red Herring Prospectus, including for Everlite , Senco Gold & Diamonds Craftsmanship for You and Senco Gold & Diamonds In the absence of such protection, we may not be able to prevent infringement of our trademark and a passing off action may not provide sufficient protection until such time that this registration is granted. Any misuse of our logo could adversely affect our reputation which could in turn adversely affect our financial performance and the market price of the Equity Shares.

Further, in relation to the logos Senco Gold & Diamonds and Senco Gold & Diamonds Craftsmanship for You, we have applied for trademark on July 30, 2014 and January 18, 2017 which have been objected to. We use these logos as a part of our corporate branding, advertisement and also as a part of our corporate stationary. Any adverse outcome of these opposition proceedings may hinder our ability to use these logos in part or at all in the future. This in turn could affect our reputation, business, results of operatins and prospects.

If any of our unregistered trademarks are registered in favour of a third party, we may not be able to claim registered ownership of such trademarks and consequently, we may be unable to seek remedies for infringement of those trademarks by third parties other than relief against passing off by other entities. If such claims are raised in the future, these claims could result in costly litigation, divert management's attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements or to cease certain offerings. Our inability to obtain or maintain these registrations may adversely affect our competitive business position, affect our brand value and consequently have an adverse effect on our business, results of operations and financial condition.

Moreover, although we change our jewellery designs on a regular basis, we do not register such designs under the Design Act, 2000. As such, it would be difficult for us to enforce our intellectual property rights on our designs and if our competitors copy our designs, in particular the designs of our products available on our website or the designs given to *Karigars*. If our competitors successfully copy our designs, we may suffer a loss of revenue, which could adversely affect our results of operations and financial condition. Further, designs developed by us may inadvertently infringe on the intellectual property rights of third parties, which may expose us to legal proceedings. As a result, we are susceptible to litigation for infringement of intellectual property rights. Any such litigation, proceedings or allegations could materially and adversely affect our reputation.

33. The activities of our franchisees could have a material adverse effect on our goodwill and the "Senco Gold and Diamonds" brand and also expose us to risks associated with reliance on third parties.

The "Senco Gold and Diamonds" brand is integral to our corporate identity. We rely on the general goodwill of consumers towards the "Senco Gold and Diamonds" brand. Therefore, the reputation and integrity of the parties with whom we engage in business activities, in particular our franchisee partners, are important to our own reputation. Consequently, adverse publicity in relation to our "Senco Gold and Diamonds" brand due to the activities or conduct of our Franchise Showrooms may have a material adverse effect on our reputation. While we endeavor, through contractual protections and otherwise, to ensure that such parties comply with high standards of probity and integrity, such as through proper implementation of our compliance and monitoring systems, we cannot assure you that such parties will always maintain these high standards, which could negatively impact our business, prospects, financial condition and results of operations. During Fiscals 2018, 2017 and 2016 we generated revenue of ₹13,133.48 million, ₹11,124.31 million and ₹8,599.35 million, respectively, from our Company Operated Showrooms and a revenue of ₹7,811.66 million, ₹5,533.89 million and ₹4,985.37 million, respectively, from our Franchise Showrooms. The revenue generated from our Company Operated Showrooms in Fiscals 2018, 2017 and 2016 accounted for 59.32%, 60.38% and 56.15% of our revenue from operations, respectively and revenue generated from our Franchise Showrooms in Fiscals 2018, 2017 and 2016 accounted for 35.28%, 30.04% and 32.55% of our revenue from operations.

34. Fraud, theft, employee negligence or similar incidents may adversely affect our results of operations and financial condition.

Our business operations involve significant retail sales in cash and we maintain large amounts of inventory at our manufacturing facilities, with our *Karigars* and at our Company Operated Showrooms at all times. Our operations may be subject to incidents of theft or damage to inventory in transit, prior to or during showroom stocking and display. The jewellery industry also typically encounters some inventory loss on account of employee theft, shoplifting, vendor fraud, credit card fraud and general administrative error. Although we have set up various security measures, including tagging our products, CCTV in our manufacturing facilities and our company owned and operated showrooms, armed security guards and follow stringent operational processes such as daily stock taking, we have in the past experienced such incidents. For instance, we have in the past experienced an incident of employee fraud. For further details, please see "*Outstanding Litigation and Material Developments – Criminal proceedings by our company*" on page 447. There can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse, loss in transit or similar incidents in the future, which could adversely affect our results of operations and financial condition.

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

Additionally, theft of our customer data may also adversely affect our results of operations and financial condition.

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

We rely on our IT systems to provide us with connectivity across our business functions through our software, hardware and network systems. Our inventory for both our Company Operated Showrooms and our Franchise Showrooms is bar-coded and monitored and controlled through Microsoft Dynamics AX ERP. Any failure in our IT systems or loss of connectivity or any loss of data arising from such failure could disrupt our ability to track, record and analyse work in progress, process financial information, manage creditors/debtors or engage in normal business activities, which could have a material adverse effect on our operations. Further, we individually tag each item that is sold, which enables us to track, record and analyse sales of our products to consumers. For details, see "*Our Business - Information Technology*" on page 141. Further, we have had an independent third party conduct a systems audit of our IT systems in order to test the robustness of our IT systems. While no systemic failures were noted, certain observations and recommendations have been made for further strengthening of our IT systems, which our Company is in the process of implementing. There can be no assurance that we will be able to implement the recommendations in a timely manner or at all. Any such delay or disruption, or a failure to effectively and timely implement the technology initiatives, could have a material adverse effect on our business, financial condition and results of operations. Further, any failure, disruption or manipulation of our tagging system could disrupt our ability to track, record and analyse sales of our products and manage inventory levels in our showrooms, which could have a material adverse effect on our business.

36. Our insurance policies may not adequately cover us against certain risks and hazards, which may have an adverse effect on our business.

Our insurance policies currently comprises of: (i) a jeweller's block policy; (ii) a fire and other perils policy; (iii) directors and officers liability insurance; and (vi) keyman insurance policy. For further information, see "*Our Business – Insurance*" on page 141. Notwithstanding the insurance coverage that we carry, we may not be fully insured against some business risks. There are many events that could significantly impact our operations, or expose us to third-party liabilities, for which we may not be adequately insured. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part, or at all. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business, financial condition and results of operations could be adversely affected. The extent of the possible effect on our business, financial condition and results of operation is not disclosed as it cannot be quantified.

37. We cannot assure you that the deployment of the Net Proceeds in the manner intended by us will result in increase in the value of your investment.

We intend to primarily use the Net Proceeds to finance the establishment of new Company Operated Showrooms, funding working capital requirements of the Company and for general corporate purposes as described under "*Objects of the Issue*" on page 92.

Our funding requirements and the deployment of the Net Proceeds are based on management estimates and have not been appraised by any bank, financial institution or other independent agency. In response to the dynamic nature of our business, our management will have broad discretion to revise our business plans, estimates and budgets from time to time. Consequently, our funding requirements and deployment of funds may change, which may result in rescheduling of the proposed utilization of the Net Proceeds and increasing or decreasing expenditure for a particular activity, subject to compliance with applicable law and the investment policies approved by our management. While we expect that we will be able to establish these new Company Operated Showrooms by Fiscal 2021, we may experience delays or financial or operational difficulties in relation to the establishment of these new Company Operated Showrooms, including if we are unable to identify suitable locations or conclude definitive agreements for the lease of such new Company Operated Showrooms on terms anticipated by us or at all, or the contractors hired by us are unable to complete the required work on time, within budget or to the specifications and standards we will have set out in our contracts with them, or we are unable to finance any increase in the estimated cost for the establishment of these new Company Operated Showrooms. As a result of delays in the establishment of the new Company Operated Showrooms to be funded from the Net Proceeds or cost overruns, we may not achieve the expected economic benefits from our expansion plans, which could adversely affect our business, financial condition and results of operations. Further, there can be no assurance that the opening of new showrooms will result in increased profitability, there may be an initial period of market adjustment while the showroom forms a customer base and engages in initial advertising and marketing campaigns. During this period, the sales revenue may not exceed the overall expenses of the showroom

Further, pursuant to Section 27 of the Companies Act 2013, any variation in the objects for which a prospectus has been issued would require a special resolution of the shareholders and the promoter or controlling shareholders will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the Objects in accordance with Chapter VI-A of the SEBI ICDR Regulations. Additionally, the requirement on the Promoters or controlling shareholders to provide an exit opportunity to such dissenting shareholders may discourage the Promoters or our controlling shareholders from undertaking steps for the variation of the proposed utilisation of our Net Proceeds, even if such variation is in our interest. Further, we cannot assure you that our Promoter or the controlling shareholders will have adequate resources at their disposal at all times to enable them to provide an exit opportunity to the dissenting shareholders at the price specified in the SEBI ICDR Regulations. These factors may restrict our ability to undertake any variation in Objects of Issue, even if such variation is in our interest, and may adversely affect our business and results of operations.

Further, pending utilization of the Net Proceeds, we are required to invest the Net Proceeds for any interim period only in scheduled commercial banks listed under Schedule II of the Banking Regulation Act, 1949. We cannot assure you that we will earn significant interest income on such interim investments.

38. Neither have we entered into any definite agreements in relation to retail spaces for establishment of new Company Operated Showrooms to be set up using the Net Proceeds nor have we placed any orders for the equipment, furniture and other items that may be required at such showrooms.

We are yet to enter into definitive agreements in relation to retail spaces for establishment of new Company Operated Showrooms to be set up using the Net Proceeds. Additionally, we have not placed orders for the equipment, furniture, or any other items that may be required at such new Company Operated Showrooms. While we have obtained quotations for the equipment, furniture and other items, we cannot assure you that the rates mentioned in such quotations will not change in the future. For further details, please see "*Objects of the Issue – Finance the establishment of new showrooms*" on page 93. Selecting retail space is a critical aspect for success of our new Company Operated Showrooms, however, selection of retail space is dependent on a number of factors including the availability of property, the demographic characteristics of the area around the showroom, availability of appropriate staff, the design and maintenance of the showrooms, the availability of attractive locations. We cannot assure you that we will be able to procure retail space satisfying the operational and financial criteria laid down for our retail showrooms. In certain situations we may also have to settle for retail spaces at less attractive markets and jewellery clusters, which may adversely affect our business, financial condition, and results of operation.

39. Any labour disputes, strikes or work stoppages may lead to lost production and/or increased costs, which may adversely affect our business, results of operations and financial condition.

As of June 30, 2018, we had 1,290 full time employees, of which 56 employees are employed in our manufacturing facilities. Although we have not had strikes or work stoppages by our employees in the past, any strikes or work stoppages we may face in the future could have an adverse impact on our operations, particularly given our dependence on our skilled workforce. Any strike or work stoppage by our employees could have a material adverse effect on our business, financial condition and results of operations.

In addition, industry-wide strikes, such as the strike organized by the bullion traders and jewellers across India in April 2012 against the hike in import duty in gold and imposition of excise duty on unbranded jewellery, pursuant to the Finance Bill 2012-2013, a nationwide one-day strike organised by jewellers association to oppose the government's plan to make PAN card mandatory for transaction over ₹0.1 million resulted in the loss of revenue for the industry and an industry-wide strike of jewellers commencing on March 2, 2016 for a period of over 40 days due to the Union Budget's proposal to levy one percent excise duty on non-silver jewellery, have had an adverse impact on our business and operations as we also had to keep most of our retail outlets closed during such strikes. There can be no assurance that there will not be such strikes in the future. Such long periods of business disruption could also result in a loss of customers, which would adversely affect our business, financial condition and results of operations. Further, if such strikes are held during periods in which we have higher sales, such as 'Rath Yatra', 'Ganesh Chaturthi', 'Teej', 'Bihu' and 'Durga Puja', our sales would be materially and adversely affected.

40. This Draft Red Herring Prospectus contains information from industry sources including the industry report commissioned from CRISIL Limited. Prospective investors are advised not to place undue reliance on such information.

This Draft Red Herring Prospectus includes information derived from an industry report titled *"CRISIL Research – Assessment of Gems & Jewellery Industry in India, May 2018",* prepared by CRISIL Limited ("**CRISIL Report**").

We have commissioned the CRISIL Report for the purpose of confirming our understanding of the jewellery industry in India and abroad. Neither we, our Directors, our Promoters, nor any of the BRLMs, nor any other person connected with the Issue has verified the information in the CRISIL Report and other industry sources, and we cannot guarantee the accuracy, adequacy or completeness of any such information. Moreover, industry sources including the CRISIL Report contain certain industry and market data, based on certain assumptions. There are no standard data gathering methodologies in our sector, and methodologies and assumptions vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that such assumptions are correct or will not change. Accordingly, our position in the market may differ from that presented in this Draft Red Herring Prospectus. Further, the CRISIL Report does not contain any recommendation to invest in our Company. Prospective investors are advised not to place undue reliance on the CRISIL Report, or extracts thereof, included in this Draft Red Herring Prospectus when making their investment decisions.

41. Our manufacturing facilities and our Company Operated Showrooms are located on premises leased by us from third parties. If we are unable to renew our existing leases or secure new leases on commercially acceptable terms, or if we fail to comply with the terms and conditions of our leases, resulting in termination of our leases, our business, financial condition and results of operations may be adversely affected. Further, in the event the land on which our manufacturing units and our Company Operated Showrooms are situated are subject to irregularities in title, our operations may be impaired.

Our existing manufacturing facilities and Company Operated Showrooms are located on leased properties. We typically enter into lease agreements for a period ranging from five years to 21 years for our Company Operated Showrooms and our manufacturing facilities and are renewable on mutually acceptable terms and upon payment of such rent escalations as stated in lease agreements. In the event that existing leases are terminated or they are not renewed on commercially acceptable terms, we may suffer a disruption in our business and operations. If alternative premises are not available at the same or similar costs, size or locations, our business, financial condition and results of operations may be adversely affected. In addition, any adverse development relating to the landlord's title or ownership rights to such properties may entail incurring significant legal expenses and adversely affect our operations. Our existing leases for our manufacturing facilities and Company Operated Showrooms typically contain interest penalty for any delays in payment of rent and fixed rent escalation clauses that provide for a periodic increase in rent. If our sales do not increase in line with our rent and costs, our profitability and results of operations could be adversely affected.

Further, there is no central land registry in India and title to land can be disputed, including on account of local land records not being duly updated, or not being maintained in a legible manner, or only being available in the local vernacular languages, as well as on account of alleged short payment of stamp duty or registration fees (which may render our title documents inadmissible in evidence, unless stamped prior to enforcement with payment of requisite penalties and the lack of approvals from appropriate authorities). Consequently, should any dispute arise in relation to our use of the relevant properties, we may be unable to, or may incur additional expenses to, enforce our rights in relation to such properties. Any inability to protect rights to the land on which our facilities are located could have an adverse effect on our business, financial condition, results of operations and prospects.

42. Successful operations of our new Company Operated Showrooms are dependent on a number of factors, some of which may be beyond our control. Our inability to successfully operate our new Company Operated Showrooms may adversely affect our business, financial condition and results of operation.

The success of our new Company Operated Showrooms depends on a number of factors, including, amongst others:

- our ability to position our new Company Operated Showrooms to successfully establish a foothold in new markets and to execute our business strategy in new markets;

- our ability to successfully integrate the new Company Operated Showrooms with our existing operations and achieve related synergies;
- our ability to introduce an optimal mix of merchandise which successfully meets local customer preferences at attractive prices;
- the effectiveness of our marketing campaigns;
- our ability to hire, train and retain skilled personnel;
- the competition that we face from incumbent and new retailers in the region; and
- any government development or construction plans around our planned sites which could have an impact on the external traffic flow to our Company Operated Showrooms and the timely implementation of such changes.

If any of our new Company Operated Showroom does not break even or achieve our expected level of profitability within our expected timeframe, or at all, our plans and our results of operations, financial condition and profitability may be materially and adversely affected and we may decide to close some of our Company Operated Showrooms. Finally, if we are forced to close any of our Company Operated Showrooms, we may not be able to realise our investment cost.

43. Past sales in our Company Operated Showrooms may not be comparable to and indicative of future sales from our Company Operated Showrooms and there can be no assurance that the opening of proposed new Company Operated Showrooms will result in increased profitability.

Various factors affect the sales in our Company Operated Showrooms including the gold rates, customer preferences, location of a showroom and competition. These factors will have an influence on existing and future showrooms and thus past sales figures may not be indicative of future sales figures. Upon the opening of a new Company Operated Showroom, there may be an initial period of market adjustment while the showroom forms a customer base and engages in initial advertising and marketing campaigns. During this period, the sales revenue may not exceed the overall expenses of the showroom. This could lead to a decrease in the overall profitability of our Company. In addition, even after this initial period, there can be no assurance that a new showroom will necessarily contribute to the overall profitability of our Company. We closed one of our Company Operated Showroom in Bengaluru and relocated another Company Operated Showrooms within the city because of inadequate customer footfall at these Company Operated Showrooms.

44. Potential legal proceedings and their outcome in relation to the parcels of land from where we manage and operate our Company Operated Showrooms, and other matters related thereto, including the non-registration of the land in the name of our Company, could affect our Company's business, results of operations and financial condition.

In relation to the land that we acquire for setting up our new Company Operated Showrooms, we face uncertainty of title. Potential legal proceedings and their outcome in relation to the parcels of land from where we manage and operate our Company Operated Showrooms, and other matters related thereto, including the non-registration of the land in the name of our Company, could affect our Company's business, results of operations and financial condition.

In the event that leases for properties acquired by us to set up our new Company Operated Showrooms are terminated or they are not renewed on commercially acceptable terms, we may suffer a disruption in our operations. If alternative premises are not available at the same or similar costs, size or locations, our business, financial condition and results of operations may be adversely affected. In addition, any adverse development relating to the landlord's title or ownership rights to such properties may entail incurring significant legal expenses and adversely affect our operations.

45. We have a number of contingent liabilities, and our profitability could be adversely affected if any of these contingent liabilities crystallizes.

As at March 31, 2018, our contingent liabilities that have not been provided for are as set out in the table below:

Particulars	March 31, 2018 (₹ in million)
Income Tax Demands (under appeal)	86.75
Service Tax (under dispute/ appeal)	27.50
Central Excise (under dispute/ appeal)	18.65

Particulars	March 31, 2018 (₹ in million)
Sales tax/VAT matters (under dispute/ appeal)	7.32

For further details on our contingent liabilities, see "*Financial Statements"* on page 189.

If any of these contingent liabilities materialises, our results of operations and financial condition may be adversely affected.

46. We have had negative net cash flows in the past and may continue to have negative cash flows in the future.

The following table sets forth our cash flow on standalone basis for the periods indicated:

(₹ in million)

	For Fiscal		
	2018	**2017**	**2016**
Net cash provided / (used) by operating activities (A)	(483.24)	40.86	(1,083.44)
Net cash provided / (used) by investing activities (B)	(345.64)	26.19	(377.40)
Net cash (used) / provided by financing activities (C)	1,131.41	(332.48)	2,022.04
Net (decrease) / increase in cash and cash equivalents (A+B+C)	302.53	(265.43)	561.20

For further details, see "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 189 and 404, respectively. Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. This situation may have an adverse effect on our cash flows, business, future financial performance and results of operations.

47. We have issued Equity Shares during the preceding 12 months at prices that may be lower than the Issue Price.

We have, in the 12 months preceding this Draft Red Herring Prospectus, issued Equity Shares at prices that may be lower than the Issue Price by way of a bonus issue. See "*Capital Structure – Notes to the Capital Structure*" on page 78. The price at which our Company has issued the Equity Shares in the past is not indicative of the price at which they will be issued or traded.

48. Our Company has prepared financial statements under Ind AS. Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and U.S. GAAP.

Our financial statements, including the financial statements provided in this Draft Red Herring Prospectus, are prepared in accordance with Ind AS. We have not attempted to quantify the impact of IFRS and U.S. GAAP or any other system of accounting principles on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of IFRS, U.S. GAAP or any other accounting principles. IFRS and U.S. GAAP differ in significant respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

49. Differing regulatory views on the 'Swarna Yojana' scheme initiated by us may have adverse implications on our Company and/or our Directors under applicable laws; and in particular, the Companies Act, 2013.

'Swarna Yojana' was a monthly instalment scheme initiated by us ("**SY Scheme**") that was discontinued for fresh accounts from May 15, 2018. As a part of this scheme, a customer could pay a monthly advance of a minimum of ₹500, toward purchase of jewellery for either a six or 11 month period. Further, under the SY Scheme, the customer was also provided with a special discount of 30% of first month instalment for 6 months tenure scheme and 75% of first month instalment for 11 months tenure scheme to be adjusted from the making charges. Instalments received from customers under the SY Scheme, at times, remain lying as advances and are not converted into sales on account of customers not collecting jewellery items on time. Accordingly, certain instalments cross the 365 day mark during the year (on account of customers' non-collection of jewellery). Such unadjusted amounts lying for more than 365 days are transferred to an escrow account (created for the benefit of its customers) on March 31 of that Fiscal Year by the Company and payment cheques are issued in such cases in the name of such customers. Further, the Company also issues advertisement in newspapers requesting all such customers to approach the company showrooms and get those advances adjusted/ refunded at the discretion of customers. However, there are certain amounts paid by customers under the SY Scheme which remain as advance from customers with the Company for a period exceeding 365 days.

In this regard, our Restated Standalone Financial Information, states that our Company has settled customer advances taken under certain schemes amounting to ₹145.56 million for the year ended March 31, 2018 (March 31, 2017, ₹106.46 million; and March 31, 2016, ₹167.78 million), which were lying outstanding for more than 365 days. Further, such customer advances amounting to ₹16.44 million, ₹8.02 million and ₹8.89 million remained outstanding as at March 31, 2018, March 31, 2017 and March 31, 2016, respectively. Further, the Restated Standalone Financial Information also states that the Company, based on internal assessment and on an independent legal opinion, is of the view that such action of the Company and the resulting outcome of such transactions during the year and the year-end balance do not have any material impact, on the Restated Standalone Financial Information in connection with sections 73 to 76 of the Companies Act. Additionally, the Audit Committee has discussed the issue and has taken on record an independent legal opinion obtained on this matter.

While we have not faced any regulatory action / proceedings in relation to such schemes in the past, we cannot assure you that we will not face any regulatory action in this regard in the future. Any adverse regulatory or legislative view in respect of the SY Scheme may result in proceedings or actions being undertaken against our Company, and its Directors and/or other officers in default for breach of section 73 to 76 of the Companies Act and the Deposit Rules. Any such adverse regulatory views and consequential actions, including any actions to ensure compliance with section 73 to 76 of the Companies Act, that our Company may be required to undertake may be time consuming and may adversely impact our profitability, results of operations and future prospects.

External risk factors

50. General economic conditions in India could adversely affect our business, financial condition, results of operations and prospects.

Our financial condition and the results of our operations depend significantly on the health of the Indian economy. Various factors may lead to a slowdown in the Indian economy which in turn may have an adverse effect on our business, financial condition, results of operations and prospects.

Our business is concentrated in India and substantial revenues are derived from customers in India. Accordingly, the performance and growth of our business is significantly dependent on the performance of the Indian economy. In the past, the Indian economy has been affected by global economic uncertainties, liquidity crisis, domestic policies, global political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, rising inflation rates and various other factors. There is no certainty that the Indian economy will not face high inflationary pressures in the future. High rates of inflation may decrease demand for our services and increase employee costs, which may have an adverse effect on our profitability and competitive advantage.

Additionally, an increase in trade deficit or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India could have an adverse effect on our business, financial condition, results of operations and prospects.

51. Any downgrading of India's sovereign debt rating by an international rating agency could have a negative impact on our business.

As of the date of this Draft Red Herring Prospectus, India is rated Baa2 (Stable) by Moody's, BBB- (Stable) by Fitch and BBB- (Stable) by S&P. Any adverse revisions to India's sovereign 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 the Equity Shares.

52. Political, economic or other factors beyond our control may have an adverse impact on our business, financial condition, results of operations and prospects.

The following external risks may have an adverse impact on our business, financial condition, results of operations and prospects, should any of them materialize:

- the lingering effects of the global economic slowdown have generally dampened business confidence and made credit markets more volatile, as well as negatively impacting other industry players, including companies in the jewellery industry;

- increase in interest rates may adversely affect our access to capital and increase our borrowing costs, which may constrain our ability to grow our business and operate profitably;

- political instability, resulting from a change in governmental or economic and fiscal policies, may adversely affect economic conditions in India. In recent years, India has implemented various economic and political reforms. Reforms in relation to land acquisition policies and trade barriers have led to increased incidents of social unrest in India over which we have no control;

- civil unrest, acts of violence, terrorist attacks, regional conflicts or situations or war; particularly in locations where we have a significant presence or concentration, our business, financial condition, results of operations and prospects could be adversely affected. In addition, such events may result in investor concern regarding regional stability which could adversely affect the price of our Equity Shares. The occurrence of any of these events may result in a loss of investor confidence, which could potentially lead to economic recession and generally have an adverse effect on our business, results of operations and financial condition; and

- India has experienced natural calamities such as earthquakes, tsunamis, floods and drought in recent years. The extent and severity of such natural disasters determines their effect on the economy.

If such events should impact the national or any regional economies, our business, financial condition, results of operations and prospects may be adversely affected.

53. Our businesses and activities may be regulated under competition laws in India, and any adverse application or interpretation of such laws could adversely affect our business, financial condition, results of operations and prospects.

The Competition Act, 2002 (the "**Competition Act**") regulates practices that could have an appreciable adverse effect on competition in the relevant market in India. Any adverse application or interpretation of the Competition Act could adversely affect our business, financial condition, results of operations and prospects.

Under the Competition Act, any arrangement, understanding or action in concert, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and may result in substantial monetary penalties and compensation to be paid to persons shown to have suffered losses. Any agreement among competitors, which, directly or indirectly, determines purchase or sale prices, results in bid rigging or collusive bidding, limits or controls production, supply, markets, technical development, investment or provision of services, or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or types of goods or services or number of customers in the market, is presumed to have an appreciable adverse effect on competition.

Further, the Competition Act prohibits abuse of a dominant position by any enterprise, directly or indirectly, including by way of unfair or discriminatory pricing or conditions in sale of goods or services, limiting production of goods, provision of services, or technical or scientific developments relating to goods or services to the prejudice of consumers, using a dominant position in one relevant market to enter into, or protect, another relevant market, denial of market access, or making the conclusion of contracts subject to acceptance of unrelated supplementary obligations. Such practices are subject to substantial monetary penalties and may also be subject to compensation for losses and orders to divide the enterprise.

If we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, proceedings initiated by the CCI, any claim by any party under the Competition Act, or any adverse publicity due to scrutiny or prosecution under the Competition Act, including financial penalties, our business, financial condition, results of operations and prospects may be adversely affected.

Acquisitions, mergers and amalgamations that exceed certain revenue and asset thresholds require prior approval by the CCI. Any acquisitions, mergers or amalgamations that have an appreciable adverse effect on competition in India may be subject to remedial measures proposed by the CCI. We cannot assure you that we will be able to obtain approval for any such future transactions on satisfactory terms, or at all.

54. Changing laws, rules and regulations and legal uncertainties, may adversely affect our business, financial condition, results of operations and prospects.

We operate in a rapidly evolving regulatory and policy environment. Regulatory and policy changes may adversely affect our business, financial condition, results of operations and prospects, to the extent that we are unable to suitably respond to, and comply with, any changes in applicable law and policy. The Central or State Governments in India may implement new regulations and policies which will require us to obtain additional approvals and licenses from the GoI and other regulatory bodies or may impose onerous requirements and conditions on our operations. For details of the regulations and policies currently applicable to us, see "*Key Regulations and Policies in India*" on page 143. Further, there can be no assurance that we will be able to comply with such revised regulations in a timely manner or at all, which may subject us to increased compliance costs and regulatory action, including payment of penalties.

In addition, the Central and State tax scheme in India is extensive and subject to change, from time to time. Taxes and other levies imposed by the Central or State Governments in India that affect our sector include goods and services tax, customs duties, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis, from time to time. Any future increases in tax rates or amendments in tax laws may affect the operating efficiency and overall tax efficiency of companies operating in India, including our Company, and may result in significant additional taxes becoming payable. In the past, there have been instances in which changes in Indian taxation laws have been made retrospectively. We cannot assure you that retrospective changes in the taxation regime applicable to us will not recur.

Uncertainty in the applicability, interpretation or implementation of any existing or proposed amendment to governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

On November 8, 2016, the RBI and the Ministry of Finance of the Government withdrew the legal tender status of the then in circulation ₹ 500 and ₹ 1,000 currency notes pursuant to a notification dated November 8, 2016. The short-term impact of these developments has been, among other things, a decrease in liquidity of cash and consequently, spending, in India. There is uncertainty on the short and long-term effects of demonetization on the Indian economy and India's capital markets are uncertain, and we cannot accurately predict its effect on our business, results of operations, financial condition and prospects.

Risks Related to the Issue and the Equity Shares

55. Our Promoters and Promoter Group will continue to retain majority shareholding in our Company following the Issue, which will allow them to exercise significant influence over us and may cause us to take actions that are not in our or your best interest.

As on the date of this DRHP, our Promoters and Promoter Group collectively hold approximately 99.99% of our Company's issued and outstanding Equity Shares and 80.00% of our Company's Equity Share capital on a fully diluted basis. As a result, our Promoters and Promoter Group will be able to significantly influence the election of our Directors and control most matters affecting us, including our business strategies and policies, decisions with respect to mergers, business combinations, acquisitions or dispositions of assets, dividend policies, capital structure and financing, and may also delay or prevent a change of management or control, even if such transaction may be beneficial to our other equity shareholders.

We cannot assure you that our Promoters and Promoter Group will not have conflicts of interest with our other equity shareholders or with us. Any such conflicts may adversely affect our ability to execute our business strategy or operate our business.

56. QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid, and Retail Individual Investors are not permitted to withdraw their Bids after Bid/Issue Closing Date.

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to pay the Bid Amount on submission of the Bid, and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Events affecting the Bidders' decision to invest in the Equity Shares, including adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations or financial condition, may arise between the date of submission of the Bid by QIBs and Non-Institutional Investors and Allotment of the Equity Shares. Our Company may choose to complete the Allotment of the Equity Shares pursuant to this Issue despite the occurrence of one or more such events, and QIBs and Non-Institutional Investors would not be able to withdraw or lower their Bids in such or any other situation, once they have submitted their Bid.

Retail Individual Investors can revise or withdraw their Bids at any time during the Bid/Issue Period and until the Bid/Issue Closing Date, but not thereafter. Any adverse developments after the Bid/Issue Closing Date but prior to listing and commencement of trading of the Equity Shares could limit the Retail Individual Investors ability to sell the Equity Shares Allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing.

57. The Equity Shares have never been publicly traded, and, after the Issue, the Equity Shares may experience price and volume fluctuations and an active trading market for the Equity Shares may not develop, which could mean you may be unable to sell your Equity Shares at or above the Issue Price, or at all.

Prior to the Issue, there has been no public market for the Equity Shares. An active trading market on the Stock Exchanges may not develop or be sustained after this Issue. Moreover, the Issue Price is intended to be determined through a book-building process and may not be indicative of the price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter.

The trading price of the Equity Shares after the Issue may be subject to significant fluctuations in response to factors including general economic, political and social factors, developments in India's fiscal regime, variations in our operating results, volatility in Indian and global securities markets, developments in our business as well as the Indian jewellery market and market perception regarding our business, changes in the estimates of our performance or recommendations by financial analysts, and announcements by us or others regarding acquisitions, strategic partnerships, joint ventures, or capital commitments. The trading price of the Equity Shares may also decline in reaction to events that affect the entire market and/or other companies in the Indian jewellery industry even if these events do not directly affect us and/or are unrelated to our business or operating results.

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

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

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

59. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of the Equity Shares, independent of our operating results.

Upon listing, the Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of the Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required.

Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of the Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Indian Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of the Equity Shares and returns on the Equity Shares, independent of our operating results. For further information on exchange rates, see "*Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation*" on page 16.

60. Any future issuance of Equity Shares, or convertible securities or other equity linked securities by us may dilute your shareholding, and significant sales of Equity Shares by our existing Shareholders, may adversely affect the trading price of the Equity Shares.

Any future issuance of Equity Shares by our Company could dilute your shareholding. Any such future issuance of Equity Shares (including under any share-based employee benefit schemes) or future sales of the Equity Shares by any of our existing Shareholders or employees who have acquired such Equity Shares pursuant to any share-based employee benefit schemes may also adversely affect the trading price of the Equity Shares and impact our ability to raise capital through an offering of our securities. Any perception by investors that such issuances or sales might occur could also adversely affect the trading price of the Equity Shares. There can be no assurance that we will not issue further Equity Shares or that the Shareholders will not dispose of, pledge or otherwise encumber their Equity Shares. Additionally, the pledge or encumbrance of the Equity Shares by any of our Company's major shareholders, or the perception that such transactions may occur may affect the trading price of the Equity Shares.

61. You will not be able to sell any of the Equity Shares you purchase in the Issue on the Stock Exchanges until the Issue receives the appropriate trading approvals.

The Equity Shares will be listed on the Stock Exchanges. Under the SEBI ICDR Regulations, we are required to list the Equity Shares within six working days of the Bid/ Issue Closing Date. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Investors' book entry, or "demat", accounts with depository participants in India are expected to be credited within two working days of the date on which the basis of allotment is approved by the Designated Stock Exchange. Thereafter, upon receipt of final approval from the Stock Exchanges, trading in the Equity Shares is expected to commence within four working days of the date on which the basis of allotment is approved by the Designated Stock Exchange. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise commence trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. We cannot assure you that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified above. We could also be required to pay interest at the applicable rates if allotment is not made, or Equity Shares are not credited to the investors' demat accounts within the prescribed time limited under applicable laws.

62. Our ability to pay dividends in the future will depend on various factors including our future income, expenses, liquidity and restrictions under applicable law as well as our financing arrangements.

We cannot assure you that we will pay dividends in the future. Any future dividend payments will depend on various factors, including our future income, expenses, liquidity and restrictions under applicable law as well as under our financing arrangements and other factors considered relevant by our Board. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on the Equity Shares. For, see "*Dividend Policy*" on page 187.

63. Under Indian law, foreign investors are subject to restrictions that limit their ability to transfer shares, which may adversely impact the trading price of the Equity Shares.

Under foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are permitted, subject to certain limited exceptions, if they comply with the pricing and reporting requirements specified by the RBI. If a transfer of shares is not compliant with such pricing or reporting requirements and does not fall under any of the exceptions specified by the RBI, then the RBI's prior approval is required.

Additionally, shareholders who seek to convert Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities.

We cannot assure you that any required approval from the RBI or any other Governmental agency can be obtained on any particular terms or in a timely manner, or at all.

64. Foreign investors may have difficulty enforcing judgments against us or our management.

Our Company is incorporated under the laws of India. A majority of our Company's assets are located in India and all of our Company's Directors and Key Management Personnel are residents of India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce against them judgments obtained in courts outside India. Moreover, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with Indian public policy.

In addition, a party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI to repatriate any amount recovered pursuant to the execution of a foreign judgment, and any such amount may be subject to income tax in India, in accordance with applicable law.

65. Investors should not rely on information from sources other than this Draft Red Herring Prospectus.

Investors should read this entire Draft Red Herring Prospectus carefully before making an investment decision concerning the Equity Shares and should not rely on information from other sources, or any particular statement herein, without carefully considering the risks and the other information in this Draft Red Herring Prospectus.

There has been coverage in the media in connection with us, our Promoters and our business in general. We cannot accept any responsibility for the accuracy or completeness of such information and make no representation as to the appropriateness, accuracy, completeness or reliability of any information disseminated in the media. To the extent that any information disseminated in the media is inconsistent with or conflicts with the information contained in this Draft Red Herring Prospectus, we expressly disclaim it.

Prominent Notes:

- Our Company was originally incorporated as Senco Gold Private Limited on August 22, 1994 at Kolkata, West Bengal, India, as a private limited company under the Companies Act, 1956. Subsequently, our Company was converted to a public limited company and a fresh certificate of incorporation consequent upon change of name on conversion to a public limited company was issued by the RoC on August 31, 2007 in the name of Senco Gold Limited.

- Initial public offering of up to [●] Equity Shares of face value ₹10 each of our Company, for cash at a price of ₹[●] per Equity Share aggregating up to ₹6,000 million, as set out in "*The Issue*" on page 67. The Issue shall constitute [●]% of the post-Issue paid-up Equity Share capital of our Company.

- The net worth of our Company as of March 31, 2018, as per our Restated Standalone Financial Information included in this Draft Red Herring Prospectus was ₹ 3,982.66 million.

- The net asset value of our Company per Equity Share of face value of ₹10 each was ₹74.88 as on March 31, 2018, as per our Restated Standalone Financial Information.

- The average cost of acquisition per Equity Share held by our Promoters as of the date of this Draft Red Herring Prospectus is:

Name of Promoter(s)	Number of Equity Shares held	Average cost of acquisition (in ₹ per Equity Share)
Sankar Sen	5,694,603	6.19
Suvankar Sen	6,884,850	1.40
Jai Hanuman Shri Siddhivinayak Trust	34,436,529	Nil
Om Gaan Ganpataye Bajrangbali Trust	5,334,246	Nil

For details, see "*Capital Structure – Build-up of our Promoters' equity shareholding in our Company*" on page 81.

- Except as disclosed under "*Group Entities*" and "*Financial Statements*" on pages 177 and 189 respectively, none of our Group Entities have business interests or other interests in our Company

- For details of related party transactions entered into by our Company with the Group Entities and other related parties during the Fiscal 2018, the nature of transactions and the cumulative value of transactions, please refer to the section titled "*Financial Statements*" on page 189.

- There have been no financing arrangements whereby the members of the promoter group or the directors of the Company and their relatives have financed the purchase by any other person of securities of the Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus with SEBI.

- Our Company does not have any subsidiaries, associates or joint ventures as on the date of this DRHP.

- For details of transactions between our Company and our Group Entities during the last financial year, including the nature and cumulative value of the transactions, see "*Related Party Transactions*" on page 186.

- The Issue does not contemplate a change of control of the Company.

INVESTORS MAY CONTACT THE BRLMs THAT HAVE SUBMITTED THE DUE DILIGENCE CERTIFICATE TO SEBI OR THE REGISTRAR TO THE ISSUE, FOR ANY COMPLAINTS, INFORMATION OR CLARIFICATION PERTAINING TO THE ISSUE.

For details of the Book Running Lead Managers and the Registrar to the Issue, please refer to the section titled "*General Information*" on page 68.

All grievances, in relation to the ASBA process, may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, quoting the full name of the sole or first Bidder, ASBA Form number, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, date of submission of ASBA Form, address of Bidder, the name and address of the relevant Designated Intermediary, where the ASBA Form was submitted by the Bidder and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the Bidder shall enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

SECTION III – INTRODUCTION

SUMMARY OF INDUSTRY

*Industry and market data used in this section has been extracted from the CRISIL Report. For further details and risks in relation to commissioned reports, see "Risk Factors - This Draft Red Herring Prospectus contains information from industry sources including the industry report commissioned from CRISIL Limited. Prospective investors are advised not to place undue reliance on such information." beginning on page 39. The information in this section has been obtained or derived from the report titled "CRISIL Research – Assessment of the gems and jewellery industry in India released in Mumbai in May 2018", prepared by CRISIL Research, a division of CRISIL Limited ("**CRISIL**" or "**CRISIL Research**" and such report, the "**CRISIL Report**"). All information contained in the CRISIL Report has been obtained by CRISIL from sources believed by it to be accurate and reliable. CRISIL obtains information for its analysis from sources it considers reliable, but does not guarantee the accuracy or completeness of its analysis or any information contained in the CRISIL Report. Further, the CRISIL Report was prepared on the basis of information as of specific dates which may no longer be current or reflect current trends, and opinions in the CRISIL Report may be based on estimates, projections, forecasts and assumptions that may prove to be incorrect. CRISIL has confirmed that certain third-party information used or cited in the CRISIL Report has been obtained from publicly available information and acknowledgements of sources have been given wherever necessary in the CRISIL Report. In other cases, CRISIL has obtained specific consent from the persons/companies having intellectual rights in the information for use of such information in the CRISIL Report. CRISIL and its affiliates make no representation or warranty, either express or implied, with respect to the information or analysis from the CRISIL Report, including without limitation the implied warranties of fitness for a particular purpose and merchantability and CRISIL specifically disclaims any such warranty. The CRISIL Report is not a comprehensive evaluation of the industry, the Company or the Equity Shares and all material within the CRISIL Report should be deemed as expressions of opinion which are subject to change without notice.*

Global Economic Overview

Key economies post above-trend growth in CY2017

The global growth engine has been revving up for the past two years supported by benign inflation. The US, euro zone and Japan posted above-trend growth of 2.7%, 2.3% and 1.7%, respectively, in calendar year (CY) 2017. China, the world's second largest economy, grew a robust 6.9%. The International Monetary Fund (IMF) estimates global growth at 3.7% in CY2018 as major advanced economies continue to grow.

Growth was strong in the US owing to increasing confidence of companies in demand outlook. Even after the Brexit referendum in June 2016, growth remained robust in the UK. Healthy domestic demand led to stable growth in euro zone countries such as Germany. Economic activity across emerging and developing markets remained mixed. Growth in China was strong, supported by policy. However, economic activity slowed in India on account of lingering impact of demonetisation and short-term economic disruptions caused by the implementation of the Goods & Services Tax (GST). Even Brazil found itself in a recessionary environment. Geopolitical factors stunted growth in the Middle East and Turkey.

Review and outlook of GDP growth in India

GDP to grow at a faster pace over the next five years

Consumption and investment constitute the growth engine of any economy. In recent years, India's growth has been firing on the consumption cylinder, while the investment front has been muted. GDP at constant FY12 prices expanded at 7.1% compound annual growth rate (CAGR) between FY13 and FY18. It grew at a slower pace between FY12 and FY14 because of sluggish income growth, persistently rising inflation, and high interest rates. Industrial output too had weakened. Post FY14, growth recovered with improving industrial activity, lower crude oil prices, and supportive policies. However, that was clipped in FY17, owing to demonetisation, dwindling private investment, and slowing global growth.

India's GDP growth to outperform Asian and global peers

According to data from the IMF, India is expected to grow at a significantly faster rate compared with other emerging and developing economies and world.

India to become the most populous country with urbanisation likely to cross 35% by CY2020

As per the Census 2011, India's total population was about 1.2 billion and comprised nearly 246 million households. Population grew at a CAGR of 1.8% during CY2001-CY2011. According to the results of 'The 2017 Revision of the World Population Prospects' by the United Nations population estimates and projections, India (2nd to China) along with China remain the two most populous countries of the world. The report further projects India's population to grow at a CAGR of 1.2% by CY2030 (1.5 billion by CY2030) to become the world's most populous country surpassing China (1.4 billion in CY2030).

Overview of the global gems and jewellery industry

Global gold demand contracted 7% in CY2017

According to the World Gold Council (WGC) report on gold demand trends 2017, global gold demand fell ~6% to 4,109 tonnes in 2017. Leading the decline was significantly lower exchange traded fund (ETF) inflows (203 tonnes in CY2017 compared with 547 tonnes in CY2016), followed by lower additions to official gold reserves by central banks (374 tonnes in CY2017 against 390 tonnes in CY2016). Investment in bars and coins also contracted marginally (1,039 tonnes in CY2017 vis-à-vis 1,068 tonnes during CY2016), mainly on account of lower US retail investment. On the positive side, demand for jewellery grew 5% (2,160 tonnes in CY2017 vis-à-vis 2,059 tonnes in CY2016), mainly on account of pick-up in demand in India and China. Industrial use of gold increased slightly in CY2017, which was significant since it represented the first positive trend since CY2010.

India retains its position as the 2nd largest consumer of gold jewellery in CY2017

In CY2017, China consumed 648 tonnes of gold jewellery, thereby occupying the pole position in global gold consumption, followed by India in the second place at 573 tonnes. Other key regions included the Middle East (193 tonnes), the US (124 tonnes), and Europe (74 tonnes). These key regions continue to account for around 3/4th of the global gold jewellery consumption by volume. Global gold jewellery consumption in CY2017 increased ~5% on-year, primarily driven by India, the US and China. Indian jewellery demand improved ~14% on-year owing to factors such as lower rupee gold prices, festive demand (Dhanteras followed by the wedding season) and the government's decision to roll back Prevention of Money Laundering Act (PMLA), which placed compliance burden on retailers and consumers, and restricted cash transactions beyond ₹50,000 without know your customer (KYC) details. China's demand for jewellery grew ~3% in CY2017, supported by holiday purchases and growing momentum for light-weight, better designed, higher-margin 'premium' gold jewellery products. Annual jewellery demand in the US improved ~4% to 124 tonnes in CY2017, mainly on account of improving economic environment which uplifted sentiment as well as demand.

Global diamond jewellery demand up 0.3% led by growth in the US

Demand for diamond jewellery increased to $80 billion in CY2016 led by growth in the US, which commands half of global demand. Demand in the US witnessed strong growth owing to a stable macro environment, improved consumer confidence led by job creation, and increase in wages. Demand in China declined in US dollar terms owing to currency movements. The Gulf region posted a decline in demand led by declining economic growth and weakness in oil prices. India also saw a decline in diamond jewellery consumption owing to demonetisation and jewellers' strike in 2016.

Overview of the Indian gems and jewellery industry

Domestic gems and jewellery market is estimated at ₹2,750 billion as of FY17-18

The domestic gems and jewellery market is estimated at ₹2,750 billion in FY17-18. Gold and diamond-studded jewellery account for ~83% share, whereas bars and coins make up ~17%. Domestic jewellery demand has historically been dominated by gold. In FY18, the share of gold jewellery is estimated at ~60%. Consumption of jewellery studded with diamond, pearls and other precious and semi-precious stones, has also been rising. This could be attributed to changing consumer preferences, rising presence of organised players and aggressive advertising campaigns. Diamond and other jewellery reported a CAGR of ~25% over FY12-18, faster than both gold jewellery and bars and coins demand.

Convergence of industry headwinds led to moderation in gold demand over FY11-17; organised players grew faster than the industry

Convergence of several growth impediments – moderate growth in GDP per capita, slowdown in rural income growth, decline in gold prices since FY13, and adverse regulatory changes (such as increase in import duty, restrictions in gold imports) - stalled gold demand growth over FY11-17. Jewellery demand, which peaked in FY11 at 670 tonnes, moderated to 596 tonnes in FY14 before leaping to 655 tonnes in FY15. However, it again declined in FY16 to 591 tonnes mainly due to muted rural spending – a key driver of gold demand in India – following a weak monsoon season, and a nationwide strike by most jewellers. Demand declined further in FY17 to 524 tonnes, impacted by adverse regulatory changes such as demonetisation of high currency notes in Q3FY17.

Gold demand marginally improved in FY18

The domestic gold industry continued to face hurdles in FY18 on account of GST rollout and implementation of Prevention of Money Laundering Act (PMLA). PMLA placed compliance burden on both retailers and consumers, and restricted cash transactions beyond ₹50,000 without know your customer (KYC) details. This deterred consumers from purchasing jewellery, particularly in rural India, where cash transactions are the norm. Sales dropped drastically in the second quarter as consumers did not want to provide an official ID fearing future actions against them under PMLA.

However, PMLA was rolled back just before Diwali, leading to rise in demand. Further, with the industry stabilising after the introduction of GST, demand picked up during the second half. As a result, jewellery demand increased marginally by ~7% on-year in volume terms in FY18. With organised retailers being better prepared for transition to GST, their share in the jewellery market grew at the expense of the unorganised ones.

Gold jewellery demand in volume terms to improve over the next five years

Expected rise in GDP growth (to 7.5% projected for FY19 compared with 6.6% in FY18) and a normal monsoon will provide support to jewellery demand in the near term. Over a longer term, improving economic growth (~8.0% real GDP growth projected over the next five years), waning of the short-term disruptions caused by GST rollout, rising urbanisation, and growing disposable income levels are expected to aid growth in gold jewellery demand. Formulation of a comprehensive gold policy, which was announced during the Union Budget 2018-19, and mandatory hallmarking are also expected to be positive for the industry, especially organised players in the longer term. We expect the consumption demand of gold to increase at a CAGR of 3-4% over the next five years. However, annual demand can be impacted by inflation and geopolitical events.

Jewellery retailing market in India

India's domestic gems and jewellery market dominated by unorganised players; organised players are rapidly gaining market share

The jewellery retailing industry in India has traditionally been dominated by family-owned standalone stores, which operated largely on trust. Till about two decades ago, the standalone jewellers accounted for lion’s share (~90%) of the domestic jewellery retailing industry. Although this segment continues to account for majority of the industry even today, the organised segment has grown rapidly in recent years and gained substantial market share (~30% as of 2017). The organised jewellery retailers have introduced sophisticated advertising and sales campaigns, effective inventory management systems, better variety and designs, and have raised the quality standards of the industry, which has aided in this shift. Further, better service quality, supply chain efficiencies and enhanced transparency provide an edge over standalone jewellers.

Emergence of pan-India jewellery retailing was marked by the launch of the Tata-owned Tanishq brand, which commenced in 1990s. Prior to Tanishq, several regions had their own strong brands, such as Kalyan Jewellers, Malabar Gold and Joyalukkas in the south; Senco Gold and PC Chandra Jewellers in the east; and TBZ, Waman Hari Pethe Jewellers and PN Gadgil in west India, and PC Jewellers in the north. To capitalise on the shift in consumer demand to organised jewellers from the traditional unorganised jewellers, many of these brands have started to expand their presence at a pan-India level. Apart from opening company-operated stores, many companies have also adopted the asset-light, franchise route for expanding their geographic presence as it reduces capital expenditure requirement and enables faster expansion. Additionally, jewellery is retailed through major department stores such as Shoppers Stop, Lifestyle, etc. via shop-in-shop format. Several global brands such as Swarovski, Damas and Forevermark have also set up outlets in the country.

We expect the organised segment to continue to gain market share in the coming years, and reach 35-45% of the market by CY2020-21. Changing consumer preferences – increasing demand for diamond-studded jewellery, light weight jewellery, and more variety of designs – augur well for the organised players which have a wider product range and better designing capabilities. Recent regulatory changes have also favoured the organised players and hastened the shift towards them. These changes include implementation of GST, which reduced the erstwhile tax arbitrage aiding unorganised players; introduction of hallmarking, and several measures to curb accounted money flowing to the gold industry.

Emergence of pan-India jewellers is on the rise

While organised jewellers have rapidly gained share in the industry over the past couple of decades, the organised segment is dominated by regional chains, which currently account for 20-25% of the overall market. With years of experience in core regions, these jewellers have developed a deep understanding of the consumer preference for designs and styles in the region, and developed strong customer loyalty. However, this characteristic has also started changing in recent times, with the regional players venturing outside their core region in the quest for growth. For example – south India-based Kalyan Jewellers, Malabar Gold, Joyallukas; west-based Tribhovandas Bhimji Zaveri; north-based PC Jewellers; and east-based Senco Gold and PC Chandra Jewellers have expanded their retail store presence outside their core markets in the past few years, and joined Titan - the first pan India jewellery player. This trend is likely to continue as regional players continue to fortify their presence across the country and emerge as pan India players.

Advantages over unorganised segment have aided growth of organised jewelers

Industry interactions indicate that national and regional jewellery retailers (organised segment) enjoy an edge over their smaller standalone counterparts (unorganised segment) that have helped the former to steadily gain market share in the industry. These advantages include – Widespread presence across cities and locations, Rise in migration, Focus on quality and trust, Better inventory management, Product raw material sourcing, Launch of new collections and brands, etc

Southern region dominates with 38-43% share of jewellery demand

Industry estimates indicate that nearly 75% of India’s gold demand emanates from rural areas, in line with the demographic flavour of the country. Within India, the southern states dominate with 38-43% of gold demand. Demand is supported by higher per capita income, lower poverty rates and strong non-resident Indian demand. Industry estimates also indicate that southern India is predominantly a 22-carat traditional, handmade market. In contrast, eastern India commands an estimated 13-18% share in gold demand, mainly owing to the economically under-developed nature of the region. Similar to southern India, demand for jewellery in the eastern region is focused largely on 22-carat type. In contrast, the northern (23-28%) and western (18-23%) regions prefer 14-carat and 18-carat jewellery.

Key demand drivers for jewellery in India

Part of Indian tradition

Tradition is one of the drivers for domestic demand for gold as it is a part of many rituals. In India, it is considered auspicious to purchase gold during festivals, weddings and birth.

Savings and investment vehicle

Gold and gold jewellery, over the years, have become an important investment asset in India as they provide liquidity and a hedge against inflation.

Increasing awareness of other product categories such as diamond, pearls and other jewels

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

Increasing share of the working population

Share of working age population (15-64 years) as a part of overall population has risen from ~64% in CY2010 to ~66% in CY2017. Demand for light-weight, daily-wear fashion jewellery is expected to rise as the younger generation enters the workforce. This augurs well for jewellery retailers as this group accounts for bulk of gold demand.

Increasing disposable income

Jewellery demand in India is largely driven by a rise in disposable incomes. Industry estimates and studies indicate that all other factors being equal, gold consumption demand enjoys a positive co-relation with rise in per capita income. India's per capita income is expected to increase going ahead, which augurs well for jewellery retailers.

Rise in the number of working women

Although the proportion of women participating in the workforce has remained largely flat over 2001-2010, as per Census 2011, the number of women participating in the workforce increased ~18% from 127 million in 2001 to 150 million in 2011 at a CAGR of 1.6%. Women have traditionally been major consumers and/or influencers for gold and jewellery in India. Hence, an increasing number of working women is likely to result in a higher propensity to spend and may have a positive impact on gold jewellery demand. On account of this trend, over the past few years, several brands of light weight daily wear and fashion jewellery have been launched to address the needs of working women, especially by organised jewellers.

Recent trends in retailing of gems and jewellery industry in India

Emergence of the online format

Players are increasingly adopting the online format as an alternative sales channel, especially in metropolitan cities. As per industry sources, although the share of online in total gems and jewellery sales is currently miniscule (less than 1% of the total industry), it is poised for fast growth going ahead and is expected to account for 1-2% of the fine jewellery segment by FY22. Apart from physical brick and mortar (B&M) stores, players have created an online presence via their own website, mobile application or tie-up with a market place website such as Amazon, Flipkart, etc. Many prominent jewellers such as Tanishq, Kalyan Jewellers, Joyalukkas, Malabar Gold & Diamonds, Senco Gold, PC jewelers, and TBZ have started retailing jewellery online. Additionally, focused jewellery websites such as Carat Lane and Bluestone are beginning to gain traction as an alternative channel of sales.

Increasing preference for light-weight jewellery

With increasing number of working women, exposure to global designs, and rising number of young consumers who prefer to purchase jewellery for adornment rather than investments, consumer preferences are shifting away from traditional bulky jewellery to light weigh fashion jewellery. Hence, jewellery retailers have started manufacturing light-weight fashion jewellery of contemporary designs which are suitable for daily use.

Availability of BIS hallmark/accredited jewellery

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

Buyback schemes

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

Monthly investment plans

Monthly investment plans have become popular as a key offering among jewellery retailers. Under the scheme, customers pay equated monthly instalments, which are converted into a purchase at the end of the payment cycle. Since the customer opts to pay for the product in advance, retailers offer some additional value benefit over the instalments paid by the customer at the time of purchase. It allows a buyer to easily purchase a big-ticket product. However, in view of a proposed ban on unregulated deposit collection plans under the draft bill "Banning of Unregulated Deposit Schemes Bill, 2018" – which was approved by the Union Cabinet in February 2018 for introduction in the Parliament – some jewellers have put these schemes on hold with respect to enrolling new customers, whereas others are awaiting clarity before discontinuing them.

Availability of customization

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

Jewellery retailing market in east India

Consumers prefer traditional jewellery designs in east India

In east India, gold jewellery purchases have a close association with tradition and culture, which translates into a penchant for traditional designs among consumers. West Bengal, the prominent jewellery market in the east, is famous for intricately designed and handcrafted gold jewellery with delicate gold filigree. As per industry sources, some of the traditional bridal pieces include pieces such as *chandbalis, choor, ratanchoor, mantasha, saptalahari, hansulis, nabaratna sets, kundan, polki* and *meenakari* sets. Apart from this, gemstones are used for astrological purposes in the form of *Graharatna* jewellery. Industry sources indicate that demand for diamond-studded jewellery and solitaires has been significantly lower than gold jewellery traditionally, but it has picked up in recent years.

West Bengal is a prominent jewellery manufacturing hub in east India

West Bengal is a prominent jewellery manufacturing hub in east India, renowned for light weight and hand-made jewellery. Apart from catering to jewellery demand in the state, jewellery manufacturers from this region also cater to neighbouring states and other parts of the country. Additionally, it is one of the major gold and diamond jewellery exporting regions in India. According to a WCG report "India's gold market: evolution and innovation", ~50% of gold jewellery exported from India is plain gold jewellery sets or chains, and typically made in Mumbai, Kolkata and cities in south India. Gems and jewellery is also one of the leading employment generating sectors in the state.

Favourable policies from the state government have been aiding the industry. West Bengal Industrial Development Corporation Ltd recently set up a large gems and jewellery park in Domjur, Howrah to boost the industry. The industrial park is spread across 6 acres with good connectivity to Kolkata and prime gold manufacturing cluster in the state.

SUMMARY OF BUSINESS

Investors should note that this is only a summary of our business and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, prospective investors should read this Draft Red Herring Prospectus, including the information in the sections "Risk Factors", "Financial Information", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 20, 189, 130 and 404, respectively. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, see the section "Risk Factors" beginning on page 20.

Overview

We are the largest organized jewellery retail player in the eastern region of India based on number of stores (74) – amongst east based as well as national players (*Source: CRISIL Report*). We primarily sell gold and diamond jewellery and also sell jewellery made of silver, platinum and precious and semi-precious stones and metals. Our other offerings include costume jewellery, gold/ silver coins and utensils made of silver. Presently, we have 93 showrooms, which have a total area of approximately 255,284 sq. ft., in 72 cities and towns. A majority of our revenue is derived from the sale of light-weight gold jewellery products. We offer a large variety of designs of handcrafted jewellery, most of which are designed in-house by our team of designers in close collaboration with skilled local artisans or craftsmen (generally termed *Karigars*).

While a majority of our showrooms, selling products under the "Senco Gold & Diamonds" tradenames, are Company Operated Showrooms, we also market our products through Franchised Showrooms allowing for an asset light model aimed at minimising our capital expenditure. In the recent past (between Fiscal 2014 and Fiscal 2018), we have added several showrooms including opening 25 Company Operated Showrooms and 14 Franchise Showrooms. As on the date of this Draft Red Herring Prospectus, we have 48 Company Operated Showrooms and 45 Franchise Showrooms. Of our total of 93 showrooms, 60 are in West Bengal; six are in Uttar Pradesh; five are in Odisha; four are in Jharkhand; three each in Karnataka, Maharashtra and Assam; two each in Delhi and Bihar; and one each in Telangana, Chhattisgarh, Haryana, Madhya Pradesh and Tripura.

We believe our more than five decades long track-record evokes consumers' trust in our products. We have been awarded the "Best Capital Management" award by Business India publication in 2015; 'Iconic Brand of India' award by Economic Times in 2016-17; the 'Gems of India' award by All India Gems and Jewellery Federation in 2015-16; the 'Leading Retailer of India' by UBM in 2016 and in 2014; and the 'Social Responsible Jewellery Award' by All India Gujarat Jewellery Federation in 2015-16. Further we have been ranked as "India's 5th Most Attractive Jewellery Brand" by India's Most Attractive Brands 2017 and "India's 5th Most Trusted Jewellery Brand" by The Brand Trust Report, India Study 2016. We have also received the award of "Best Chain of Retail Stores (National-2017)" by Indian Bullion and Jewellers Association Limited at the 4th India Bullion and Jewellery Awards, 2017.

We have a dedicated design team, comprising 12 designers as on June 30, 2018 focused on developing new products and designs that meet customers' requirements. We also customize jewellery for individual needs. The manufacturing of our jewellery is carried out by over 100 experienced *Karigars* in Kolkata, West Bengal under Karigar Agreements. Our presence in West Bengal allows us to access quality craftsmen, who have been working with our Company for a number of years. We believe that our scale of operations enables us to commit significant volumes of work to *Karigars*; which in turn enables them to offer quality finished products to us at competitive prices. Additionally, we believe that this ensures that the *Karigars* devote a significant portion of their time towards fulfilling commitments to our Company with a competitive and innovative drive towards completion of our jewellery orders.

West Bengal is a prominent jewellery manufacturing hub in east India, renowned for light weight and hand-made jewellery. Apart from catering to jewellery demand in the state, jewellery manufacturers from this region also cater to neighbouring states and other parts of the country. Additionally, it is one of the major gold and diamond jewellery exporting regions in India. According to a WCG report "India's gold market: evolution and innovation", ~50% of gold jewellery exported from India is plain gold jewellery sets or chains, and typically made in Mumbai, Kolkata (capital of West Bengal) and cities in south India. In terms of the number of BIS hallmark registered gold jewellery stores, Mumbai tops the chart with 885 stores, followed closely by Kolkata at 840 stores. (*Source: CRISIL Report*).

Our diverse jewellery collection is offered across various price points (ranging from approximately ₹500 to approximately ₹500,000) so as to maximise our potential customer base. We offer our customers from across India a wide variety of jewellery in order to cater to regional tastes.

Our marketing activities are focused on improving our brand recall and generating footfalls in our showrooms throughout the year. During Fiscal 2018, 2017 and 2016 we spent ₹346.93 million, ₹375.74 million and ₹421.36 million, respectively, on advertising and sales promotion. Our marketing schemes vary as per occasion, season and the needs of our customers and are tailored to befit occasions such as weddings, anniversaries, birthdays and Valentine's Day, when people customarily buy jewellery. '*Diwali*' and '*Dhanteras*' are two of the biggest jewellery buying festivals, during which season we generally record high sales. We capitalise on '*Akshay Tritiya*' or new years of various states such as West Bengal, Odisha and Maharashtra to promote sales. We also provide sales promotional offers on our jewellery during local and regional festivals such as '*Rath Yatra*', '*Ganesh Chaturthi*', '*Teej*', '*Bihu*' and '*Durga Puja*', amongst others, in order to achieve higher than normal sales during these festivals. In addition to these local and regional festivals, special offers and new collections are launched around occasions such as Valentine's Day, mother's day, father's day and women's day, amongst others. We also endeavour to build marketing campaigns around the wedding season in India, particularly with our light weight gold jewellery. Having set up our *Everlite* and *Gossip* collections, we aim to cater to the younger generation and the 'middle-class' of India by building brands with a smaller average product price. As a part of our marketing initiatives, we have corporate tie-ups with the Kolkata Knight Riders cricket team and with various other events, including a national beauty pageant. We have appointed Vidya Balan, actress, and Sourav Ganguly, ex-cricketer, as brand ambassadors to enhance our brand presence and market our products. We have implemented a loyalty program with over 200,000 of our customers; and have entered into an agreement with Capillary Technologies to facilitate the loyalty program for these customers.

We stringently follow the hallmarking process for all our jewellery. In addition, all our diamond jewellery is certified by Solitaire Gemological Laboratory. Loose diamond stock is regularly assessed for valuation so as to derive greater transparency to our business.

Most of the gold used as raw material by us is sourced by way of gold loan facilities offered by banks. We follow a procurement policy aimed at de-risking the business from gold price fluctuations by sourcing gold for our manufacturing operations under the gold loan facilities offered by banks. Under such arrangements, the price of gold purchased is not fixed on procurement, but rather within the applicable credit period, thereby minimizing any risk to us relating to gold price fluctuations between the time of procuring the raw material and selling the finished product to our customers. Our loose diamonds are mostly procured from reputed sightholders; and the manufacturing is carried out either by the skilled *Karigars* in West Bengal for hand made products or by organised manufacturers in Mumbai or Coimbatore.

As on the date of this Draft Red Herring Prospectus, we have two manufacturing facilities. Our manufacturing facility located at Rabindra Sarani, Kolkata, West Bengal majorly caters to domestic sales and our manufacturing facility in the "Manikanchan" special economic zone caters to our export sales. Further, we are in the process of setting up another manufacturing facility at the Gems and Jewelry Park, Ankurhati, Domjur in Howrah, West Bengal.We make wholesale exports of our jewellery primarily to the Middle East, Malaysia and Singapore.

As at June 30, 2018, we had 1,290 employees. In addition, we have outsourced security personnel and housekeeping staff of whom we appoint on a contract labour basis. Our revenue from operations increased to ₹22,140.14 million in Fiscal 2018 from ₹15,315.19 million in Fiscal 2016, and our profit for the year increased to ₹728.06 million in Fiscal 2018 from ₹ 154.87 million in Fiscal 2016. Our revenue from operations has increased at a CAGR of 20.23% from Fiscal 2016 to Fiscal 2018 and our profit for the year has increased at a CAGR of 116.82% from Fiscal 2016 to Fiscal 2018.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our Restated Financial Information for Fiscals 2018, 2017, 2016, 2015 and 2014. The Restated Financial Information have been prepared in accordance with Ind AS and the Companies Act and have been restated in accordance with the SEBI ICDR Regulations and are presented in "Financial Statements" on page 189. The summary financial information presented below should be read in conjunction with such "Restated Standalone Financial Information" and "Restated Consolidated Financial Information" on pages 194 and 320 respectively, the notes and annexures thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 404.

Restated Standalone Summary Statement of Assets and Liabilities

(₹ in million)

	As at 31 March				
	2018	**2017**	**2016 Proforma**	**2015 Proforma**	**2014 Proforma**
ASSETS					
Non-current assets					
Property, plant and equipment	843.94	959.02	941.93	432.54	380.33
Capital work-in-progress	40.37	8.62	5.66	129.57	19.09
Intangible assets	19.37	23.96	19.57	8.03	8.25
Financial assets					
(i) Investments	0.26	0.10	0.10	2.00	2.00
(ii) Loans	84.36	83.69	62.50	196.98	112.08
(iii) Other financial assets	1.10	10.03	41.60	125.85	33.15
Deferred tax assets (net)	47.95	42.36	49.50	4.11	-
Non-current tax assets (net)	105.93	105.93	105.93	36.52	36.52
Other non-current assets	200.15	172.29	149.31	64.10	7.71
Total non-current assets	**1,343.43**	**1,406.00**	**1,376.10**	**999.70**	**599.13**
Current assets					
Inventories	8,368.31	5,979.39	5,090.80	3,577.37	2,645.12
Financial assets					
(i) Trade receivables	402.62	663.88	789.01	436.87	523.49
(ii) Cash and cash equivalents	730.86	428.33	693.76	130.74	498.16
(iii) Bank balances other than (ii) above	660.37	229.43	380.58	243.58	170.16
(iv) Loans	38.53	39.77	16.70	20.42	18.98
(v) Derivatives	-	7.95	-	-	-
(vi) Other financial assets	22.81	12.42	29.12	19.79	8.73
Other current assets	161.40	92.70	44.66	32.99	20.36
	10,384.90	7,453.87	7,044.63	4,461.76	3,885.00
Assets held for sale	-	8.06	-	-	-
Total current assets	**10,384.90**	**7,461.93**	**7,044.63**	**4,461.76**	**3,885.00**
Total assets	**11,728.33**	**8,867.93**	**8,420.73**	**5,461.46**	**4,484.13**
EQUITY AND LIABILITIES					
Equity					
Equity share capital	177.29	177.29	177.29	177.29	177.29
Instruments entirely equity in nature	44.32	44.32	44.32	44.32	-
Other equity	3,761.05	3,032.09	2,706.75	2,579.72	1,465.85
Total equity	**3,982.66**	**3,253.70**	**2,928.36**	**2,801.33**	**1,643.14**
Liabilities					
Non-current liabilities					
Financial liabilities					
(i) Borrowings	4.22	31.70	132.56	73.66	88.22
(ii) Other financial liabilities	6.94	6.48	5.88	4.80	3.99
Provisions	64.89	29.56	19.25	13.12	6.31
Deferred tax liabilities (Net)	-	-	-	-	8.52
Other Non current liabilities	1.30	1.73	2.19	1.90	1.74
Total non-current liabilities	**77.35**	**69.47**	**159.88**	**93.48**	**108.78**
Current liabilities					
Financial liabilities					
(i) Borrowings	5,808.10	4,382.96	4,076.57	1,927.85	1,880.15
(ii) Trade payables	609.00	387.36	561.26	121.21	64.49
(iii) Derivatives	174.78	-	198.50	11.60	0.75
(iv) Other financial liabilities	73.66	151.90	78.30	30.03	22.00

	As at 31 March				
	2018	**2017**	**2016 Proforma**	**2015 Proforma**	**2014 Proforma**
Other current liabilities	815.06	518.62	410.56	464.76	763.38
Provisions	1.85	49.97	6.05	0.21	0.13
Current tax liabilities (Net)	185.87	53.95	1.25	10.99	1.31
Total current liabilities	**7,668.32**	**5,544.76**	**5,332.49**	**2,566.65**	**2,732.21**
Total liabilities	**7,745.67**	**5,614.23**	**5,492.37**	**2,660.13**	**2,840.99**
Total equity and liabilities	**11,728.33**	**8,867.93**	**8,420.73**	**5,461.46**	**4,484.13**

Restated Standalone Summary Statement of Profit and Loss

(₹ in million)

	For the year ended 31 March				
	2018	**2017**	**2016 Proforma**	**2015 Proforma**	**2014 Proforma**
Revenue from operations	22,140.14	18,423.42	15,315.19	14,337.70	13,181.94
Other income	108.84	86.43	44.95	55.90	26.44
Total income	**22,248.98**	**18,509.85**	**15,360.14**	**14,393.60**	**13,208.38**
Expenses					
Cost of materials consumed	17,082.07	16,213.88	14,909.58	13,419.74	11,757.87
Purchases of stock-in-trade	3,710.85	282.36	-	-	413.90
Changes in inventories of finished goods, stock-in-trade and work in progress	(1,796.40)	(783.49)	(1,624.17)	(789.98)	(276.01)
Excise duty	48.82	113.12	-	-	-
Employee benefits expense	401.48	262.85	196.63	143.24	83.29
Finance costs	372.56	329.54	286.64	192.73	130.51
Depreciation and amortisation expense	187.40	162.56	131.97	65.08	29.32
Other expenses	1,288.39	1,317.92	1,219.83	820.78	555.97
Total expenses	**21,295.17**	**17,898.74**	**15,120.48**	**13,851.59**	**12,694.85**
Profit before exceptional items and tax	**953.81**	**611.11**	**239.66**	**542.01**	**513.53**
Exceptional items	**173.69**	**-**	**-**	**-**	**-**
Profit before tax	**1,127.50**	**611.11**	**239.66**	**542.01**	**513.53**
Tax expense					
-Current tax	405.60	212.80	121.26	194.55	147.23
-Deferred tax	(6.16)	6.84	(36.47)	(11.97)	2.39
Total tax expense	**399.44**	**219.64**	**84.79**	**182.58**	**149.62**
Profit for the year (A)	**728.06**	**391.47**	**154.87**	**359.43**	**363.91**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit liability / (asset)	1.31	0.86	1.89	(1.55)	0.15
Changes in fair value of equity instruments designated at FVOCI	0.16	-	0.09	-	-
Income tax relating to these items that will not be reclassified subsequently to profit or loss	(0.57)	(0.30)	(0.68)	0.54	(0.05)
Other comprehensive income for the year, net of income tax (B)	**0.90**	**0.56**	**1.30**	**(1.01)**	**0.10**
Total comprehensive income for the year (A+B)	**728.96**	**392.03**	**156.17**	**358.42**	**364.01**
Earnings per share (nominal value of ₹ 10 each)					
Basic [in Rs.]	**13.69**	**7.11**	**2.81**	**6.76**	**6.84**
Diluted [in Rs.]	**10.95**	**5.89**	**2.33**	**6.03**	**6.84**

Restated Standalone Summary Statement of Cash Flows

(₹ in million)

		For the year ended 31 March				
		2018	2017	2016 Proforma	2015 Proforma	2014 Proforma
A	**Cash flows from operating activities**					
	Restated Profit before tax	**1,127.50**	**611.11**	**239.66**	**542.01**	**513.53**
	Adjustments for					
	Depreciation and amortisation	187.40	162.56	131.97	65.08	29.32
	Liability no longer required written back	-	(5.52)	(7.47)	(7.88)	(1.86)
	(Profit)/loss on sale of property, plant and equipment	(173.69)	(0.91)	0.06	-	-
	Finance costs	372.56	329.54	286.64	192.73	130.51
	Unrealised foreign exchange gain	(5.94)	(20.70)	(31.57)	-	-
	Interest income	(51.56)	(46.23)	(33.51)	(45.20)	(22.80)
	Operating cash flow before working capital changes	**1,456.27**	**1,029.85**	**585.78**	**746.74**	**648.70**
	(Increase) in inventories	(2,388.93)	(888.59)	(1,513.43)	(932.25)	(331.79)
	Decrease / (Increase) in trade receivables	267.20	145.84	(320.58)	86.62	24.40
	(Increase) in loans and advances & other assets	(66.90)	(81.80)	(45.20)	(145.09)	(58.57)
	(Decrease) / increase in other liabilities and provisions	301.16	169.56	(31.77)	(283.97)	138.27
	(Decrease) / Increase in trade payables	221.64	(173.90)	439.93	56.72	(233.80)
	Cash generated from operations	**(209.56)**	**200.96**	**(885.27)**	**(471.23)**	**187.21**
	Less: Income taxes paid	273.68	160.10	198.17	184.87	264.55
	Net cash provided / (used) by operating activities	**(483.24)**	**40.86**	**(1,083.44)**	**(656.10)**	**(77.34)**
B	**Cash flows from investing activities**					
	Purchase of property, plant and equipment, intangible assets, capital work-in-progress and capital advances	(152.34)	(207.87)	(356.56)	(240.16)	(81.93)
	Proceeds from sale of property, plant and equipment	186.00	1.00	0.05	-	-
	Interest received	42.71	50.34	31.85	39.06	27.12
	Fixed deposit matured / placed with banks (with maturity more than three months)	(422.01)	182.72	(52.74)	(166.13)	(91.36)
	Net cash provided / (used) by investing activities	**(345.64)**	**26.19**	**(377.40)**	**(367.23)**	**(146.17)**
C	**Cash flows from financing activities**					
	Proceeds from issue of share	-	-	-	44.32	-
	Premium received on issue of shares	-	-	-	755.68	-
	Dividends paid	-	(55.41)	(22.17)	-	(44.32)
	Dividend distribution tax paid	-	(11.28)	(4.51)	-	(7.53)
	Proceeds from long term borrowings	1.82	3.00	28.73	-	-
	Repayment of long term borrowings	(112.92)	(40.07)	(42.90)	-	-
	Proceeds from others borrowings (net)	1,607.51	99.94	2,333.63	45.91	651.90
	Interest paid	(365.00)	(328.66)	(270.74)	(190.00)	(131.03)
	Net cash (used) / provided by financing activities	**1,131.41**	**(332.48)**	**2,022.04**	**655.91**	**469.02**

		For the year ended 31 March				
		2018	2017	2016 Proforma	2015 Proforma	2014 Proforma
	Net (decrease) / increase in cash and cash equivalents (A+B+C)	**302.53**	**(265.43)**	**561.20**	**(367.42)**	**245.51**
	Cash and cash equivalents at the beginning of the year	**428.33**	**693.76**	**130.74**	**498.16**	**108.31**
	Cash and cash equivalents taken over on amalgamation [refer footnote (a)]	**-**	**-**	**1.82**	**-**	**144.34**
	Cash and cash equivalents at the end of the year	**730.86**	**428.33**	**693.76**	**130.74**	**498.16**

Notes:

(a) Cash and cash equivalents as on 1 April 2013 and 1 April 2015 include the following amounts taken over on amalgamation (*refer note 3A and 3B to Annexure V – please refer to the section "Financial Statements" on page 189)*

(₹ in million)

		For the year ended 31 March				
		2018	2017	2016 Proforma	2015 Proforma	2014 Proforma
	Cash on hand	-	-	0.16	-	0.00
	Balances with scheduled banks					
	- On deposit accounts	-	-	-	-	130.96
	- On current accounts	-	-	1.66	-	13.38
		-	**-**	**1.82**	**-**	**144.34**

(b) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind-AS 7 'Statement of Cash Flows'.

(c) Reconciliation of liabilities from financing activities

(₹ in million)

	Borrowings	For the year ended 31 March				
		2018	2017	2016 Proforma	2015 Proforma	2014 Proforma
	Balance at the beginning of the year	4,523.83	4,254.45	2,015.88	1,980.92	1,327.22
	Cash flows (net)	1,496.41	62.87	2,319.46	45.91	651.90
	Non-cash changes	(182.30)	206.51	(80.89)	(10.95)	1.80
	Balance at the end of the year	**5,837.94**	**4,523.83**	**4,254.45**	**2,015.88**	**1,980.92**

Restated Consolidated Summary Statement of Assets and Liabilities

(₹ in million)

	As at March 31	
	2015 Proforma	**2014 Proforma**
ASSETS		
Non-current assets		
Property, plant and equipment	432.54	380.33
Capital work-in-progress	129.57	19.09
Investment property	229.92	229.92
Intangible assets	8.03	8.25
Financial assets		
(i) Investments	0.10	0.10
(ii) Loans	57.05	6.81
(iii) Other financial assets	125.85	33.15
Deferred tax assets (net)	13.70	-
Non-current tax assets (net)	38.77	37.65
Other non-current assets	73.98	20.87
Total non-current assets	**1,109.51**	**736.17**
Current assets		
Inventories	3,577.37	2,645.12
Financial assets		
(i) Trade receivables	436.87	523.49
(ii) Cash and cash equivalents	132.56	498.38
(iii) Bank balances other than (ii) above	243.58	170.16
(iv) Loans	9.20	11.76
(v) Other financial assets	19.79	8.73
Other current assets	36.28	23.66
Total current assets	**4,455.65**	**3,881.30**
Total assets	**5,565.16**	**4,617.47**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	177.29	177.29
Instruments entirely equity in nature	44.32	-
Other equity	2,577.35	1,465.29
Total equity	**2,798.96**	**1,642.58**
Liabilities		
Non-current liabilities		
Financial liabilities		
(i) Borrowings	150.47	194.16
(ii) Other financial liabilities	4.80	3.99
Provisions	13.12	6.31
Deferred tax liabilities (net)	-	7.08
Other Non current liabilities	1.90	1.74
Total non-current liabilities	**170.29**	**213.28**
Current liabilities		
Financial liabilities		
(i) Borrowings	1,927.85	1,880.15
(ii) Trade payables	121.33	64.64
(iii) Derivatives	11.60	0.75
(iv) Other financial liabilities	59.17	51.15
Other current liabilities	464.76	763.48
Provisions	0.21	0.13
Current tax liabilities (net)	10.99	1.31

	As at March 31	
	2015 Proforma	**2014 Proforma**
Total current liabilities	**2,595.91**	**2,761.61**
Total liabilities	**2,766.20**	**2,974.89**
Total equity and liabilities	**5,565.16**	**4,617.47**

Restated Consolidated Summary Statement of Profit and Loss

(₹ in million)

	For the year ended March 31	
	2015 Proforma	**2014 Proforma**
Revenue from operations	14,337.70	13,181.97
Other income	55.90	26.44
Total income	**14,393.60**	**13,208.41**
Expenses		
Cost of materials consumed	13,419.74	11,757.87
Purchases of stock-in-trade	-	413.90
Changes in inventories of finished goods, stock-in-trade and work in progress	(789.98)	(276.01)
Employee benefit expense	143.24	83.29
Finance costs	208.14	139.79
Depreciation and amortisation expense	65.08	29.32
Other expenses	815.34	548.06
Total expenses	**13,861.56**	**12,696.22**
Profit before exceptional items and tax	**532.04**	**512.19**
Exceptional items	**-**	**-**
Profit before tax	**532.04**	**512.19**
Tax expense		
-Current tax	194.55	147.23
-Deferred tax	(20.13)	1.25
Total tax expense	**174.42**	**148.48**
Profit for the year (A)	**357.62**	**363.71**
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Remeasurements of defined benefit liability / (asset)	(1.55)	0.15
Changes in fair value of equity instruments designated at FVOCI	-	-
Income tax relating to these items that will not be reclassified subsequently to profit or loss	0.54	(0.05)
Other comprehensive income for the year, net of income tax (B)	**(1.01)**	**0.10**
Total comprehensive income for the year (A+B)	**356.61**	**363.81**
Earnings per share (nominal value of Rs. 10 each)		
Basic [in Rs.]	**6.72**	**6.84**
Diluted [in Rs.]	**6.00**	**6.84**

Restated Consolidated Summary Statement of Cash Flows

(₹ in million)

		For the year ended 31 March	
		2015 Proforma	2014 Proforma
A	Cash flows from operating activities		
	Restated Profit before tax	**532.04**	**512.19**
	Adjustments for		
	Depreciation and amortisation	65.08	29.32
	Liability no longer required written back	(7.88)	(1.89)
	Finance costs	208.14	139.79
	Interest income	(45.20)	(22.80)
	Operating cash flow before working capital changes	**752.18**	**656.61**
	(Increase) in inventories	(932.25)	(331.79)
	Decrease in trade receivables	86.62	24.40
	(Increase) in loans and advances & other assets	(103.20)	(29.72)
	(Decrease) / increase in other liabilities and provisions	(283.87)	144.96
	Increase / (decrease) in trade payables	56.71	(235.97)
	Cash generated from operations	**(423.81)**	**228.49**
	Less: Income taxes paid	185.99	295.82
	Net cash used by operating activities	**(609.80)**	**(67.33)**
B	**Cash flows from investing activities**		
	Purchase of property, plant and equipment, intangible assets, capital work-in-progress and capital advances	(240.17)	(81.90)
	Interest received	38.92	50.39
	Fixed deposit matured / placed with banks (with maturity more than three months)	(166.13)	(91.36)
	Net cash used by investing activities	**(367.38)**	**(122.87)**
C	**Cash flows from financing activities**		
	Proceeds from issue of share	44.32	-
	Premium received on issue of shares	755.68	-
	Dividends paid	-	(44.32)
	Dividend distribution tax paid	-	(7.53)
	Proceeds from others borrowings (net)	17.02	626.28
	Interest paid	(205.66)	(140.64)
	Net cash provided by financing activities	**611.36**	**433.79**
	Net (decrease) / increase in cash and cash equivalents (A+B+C)	**(365.82)**	**243.59**
	Cash and cash equivalents at the beginning of the year	**498.38**	**254.79**
	Cash and cash equivalents at the end of the year	**132.56**	**498.38**

Note:

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind-AS 7 'Statement of Cash Flows.
2. Reconciliation of liabilities from financing activities

(₹ in million)

	Borrowings		For the year ended 31 March	
			2015 Proforma	2014 Proforma
	Balance at the beginning of the year		2,116.02	1,487.93
	Cash flows (net)		17.02	626.28
	Non-cash changes		(11.19)	1.81
	Balance at the end of the year		**2,121.85**	**2,116.02**

THE ISSUE

The following table summarizes the Issue details:

Equity Shares offered	
Issue of Equity Shares(1)	Up to **[●]** Equity Shares, aggregating up to ₹6,000 million
Of which:	
A) QIB Portion(2)(3)	Not more than **[●]** Equity Shares
of which:	
(i) Anchor Investor Portion	**[●]** Equity Shares
(ii) Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	**[●]** Equity Shares
of which:	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	**[●]** Equity Shares
(b) Balance for all QIBs including Mutual Funds	**[●]** Equity Shares
B) Non-Institutional Portion(3)	Not less than **[●]** Equity Shares
C) Retail Portion(3)	Not less than **[●]** Equity Shares
Pre and post Issue Equity Shares	
Equity shares outstanding prior to the DRHP	53,186,112 Equity Shares(4)
Equity Shares outstanding prior to the Issue (upon conversion of CCPS)	66,482,265 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Use of proceeds from the Issue	See "*Objects of the Issue*" on page 92 for information about the use of the Issue Proceeds.

(1) *The Issue has been authorized by a resolution of our Board of Directors dated July 23, 2018, and by a special resolution of our Shareholders passed in their EGM held on July 23, 2018.*

(2) *Our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of undersubscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see "Issue Procedure" on page 482.*

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

(4) *As on date of this DRHP there are 13,296,153 CCPS held by SAIF Partners which are convertible into Equity Shares. For details in relation to the investment, please see "History and Certain Corporate Matters – Shareholders' Agreements*" on page 151.

Allocation to Bidders in all categories, except the Anchor Investor Portion, if any, and the Retail Portion shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price. The allocation to each Retail Individual 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 allocated on a proportionate basis. For further details, see "*Issue Procedure*" on page 482.

GENERAL INFORMATION

Our Company was originally incorporated as Senco Gold Private Limited on August 22, 1994, at Kolkata, West Bengal, India under the Companies Act, 1956. Subsequently, pursuant to a resolution passed at the meeting of the Board of Directors held on June 27, 2007, and a special resolution of the shareholders of our Company at the EGM held on August 8, 2007, the name of our Company was changed to Senco Gold Limited, pursuant to its conversion into a public limited company. A fresh certificate of incorporation dated August 31, 2007, consequent to the change of name, was issued by the RoC. Our Company was converted to a public limited company in order to expand its activities in the field of the jewellery business. For further details of change in the name and registered office of our Company, see "*History and Certain Corporate Matters – Changes in the Registered Office of our Company*" on page 147.

For details of the business of our Company, see "*Our Business*" on page 130.

REGISTERED OFFICE AND CORPORATE OFFICE

Senco Gold Limited
Diamond Prestige, 41A, A.J.C. Bose Road
10th floor, Unit no. 1001
Kolkata – 700 017
West Bengal, India
Tel: +91 33 4021 5000
Fax: +91 33 4021 5025
E-mail: compliance@sencogold.co.in
Website: www.sencogoldanddiamonds.com

Corporate Identity Number: U36911WB1994PLC064637

Registration Number: 064637

For details in relation to changes in the registered office of the Company, see "*History and Certain Corporate Matters – Changes in Registered Office of our Company*" on page 147.

ADDRESS OF THE RoC

Our Company is registered with the RoC situated at the following address:

Nizam Palace
2nd MSO Building
2nd Floor, 234/4, A.J.C. Bose Road
Kolkata – 700 020
West Bengal, India

BOARD OF DIRECTORS

The Board of our Company as on the date of this Draft Red Herring Prospectus, comprises the following:

Name	Designation	Age (in years)	DIN	Address
Sankar Sen	Chairman and Managing Director	60	01178744	53A, Lake Place, Kolkata – 700029, West Bengal
Suvankar Sen	Executive Director	34	01178803	53A, Lake Place, Kolkata – 700029, West Bengal
Vivek Kumar Mathur	Non-Executive Director (nominee of SAIF Partners)	55	03581311	D - 151, Westend Heights, DLF Phase – V, Gurgaon – 122009, Haryana
Hanuman Mal Choraria	Independent Director	66	00018375	14/2, Old China Bazar Street, 4th floor, Room No.- 401, Kolkata – 700 001,

Name	Designation	Age (in years)	DIN	Address
				West Bengal
Kumar Shankar Datta	Independent Director	63	07248231	Flat No. 3A, 3rd floor, Fomra Tower, 84A, A.J.C. Bose Road, Kolkata – 700 014, West Bengal
Suman Varma	Independent Director	55	08127928	A-20, 2nd floor, Gitanjali Enclave, Opp. Navjivan Vihar, Malviya Nagar, Delhi – 110 017

For further details of our Directors, see "*Our Management – Board of Directors*" on page 153.

COMPANY SECRETARY AND COMPLIANCE OFFICER

Surendra Gupta
Senco Gold Limited
Diamond Prestige, 41A, A.J.C. Bose Road
10th floor, Unit no. 1001
Kolkata – 700 017
West Bengal, India
Tel: +91 33 4021 5000
Fax: +91 33 4021 5025
E-mail: compliance@sencogold.co.in

CHIEF FINANCIAL OFFICER

Vikram Nagpal
Senco Gold Limited
Diamond Prestige, 41A, A.J.C. Bose Road
10th floor, Unit no. 1001
Kolkata– 700 017
West Bengal, India
Tel: +91 33 4021 5000
Fax: +91 33 4021 5025
E-mail: investorsrelations@sencogold.co.in

INVESTOR GRIEVANCES

Investors can contact the Company Secretary and Compliance Officer, the BRLMs or the Registrar to the Issue or the respective SCSBs in case of any pre-Issue or post-Issue related problems, such as non-receipt of Allotment Advice cum Refund Intimation, non-credit of Allotted Equity Shares in the respective beneficiary account, or unblocking of funds, non-receipt of refund orders (in case of Anchor Investors), and non-receipt of funds by electronic mode.

All Issue related grievances, other than of Anchor Investors, may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder. ASBA Bidder should give the ASBA Account number. All grievances relating to Bids submitted with Registered Brokers, may be addressed to the Stock Exchanges, with a copy to the Registrar to the Issue.

All grievances of the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as name of the Bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form, unique transaction reference number and the name of the relevant bank and the name and address of the relevant BRLM where the Bid cum Application Form was submitted by the Anchor Investor.

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

All grievances relating to Bids submitted with Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue.

Book Running Lead Managers

IDFC Bank Limited
Naman Chambers, C – 32, G Block
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051
Maharashtra, India
Tel: +91 22 7132 5500
Fax: +91 22 4222 2088
E-mail: sgl.ipo@idfcbank.com
Investor Grievance E-mail: mb.ig@idfcbank.com
Website: www.idfcbank.com
Contact Person: Kunal Thakkar / Krishnakant Jaju
SEBI Registration No.: MB/INM000012250

ICICI Securities Limited
ICICI Centre
H.T. Parekh Marg, Churchgate
Mumbai – 400 020
Maharashtra, India
Tel.: +91 22 2288 2460
Fax: +91 22 2282 6580
E-mail: sencogold.ipo@icicisecurities.com
Investor Grievance E-mail:
customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Shekhar Asnani / Suyash Jain
SEBI Registration No: MB/INM000011179

IIFL Holdings Limited
10th Floor, IIFL Centre
Kamala City, Senapati Bapat Marg
Lower Parel (West), Mumbai – 400 013
Maharashtra, India
Tel: +91 22 4646 4600
Fax: +91 22 2493 1073
E-mail: senco.ipo@iiflcap.com
Investor Grievance E-mail: ig.ib@iiflcap.com
Website: www.iiflcap.com
Contact Person: Pinak Bhattacharyya / Sachin Kapoor
SEBI Registration No: MB/INM000010940

Emkay Global Financial Services Limited
7th Floor, The Ruby
Senapati Bapat Marg
Dadar West, Mumbai – 400 028
Maharashtra, India
Tel: +91 22 6612 1212
Fax: +91 22 6612 1355
Email: ipo.senco@emkayglobal.com
Investor Grievance E-mail: ibg@emkayglobal.com
Website: www.emkayglobal.com
Contact Person: Deepak Yadav
SEBI Registration No: MB/INM000011229

YES Securities (India) Limited
IFC Tower 1&2, Unit No 602 A, 6th Floor
Senapati Bapat Marg
Elphinstone Road, Mumbai – 400013
Maharashtra, India
Tel: +91 22 3012 6776
Fax: +91 22 2421 4508
E-mail: senco.ipo@yessecuritiesltd.in
Investor Grievance E-mail: igc@yessecuritiesltd.in
Website: www.yesinvest.in
Contact Person: Nikhil Bhiwapurkar
SEBI Registration No: MB/INM000012227

Syndicate Members

[●]

Legal Counsel to our Company

Shardul Amarchand Mangaldas
23rd floor, Express Towers
Nariman Point, Mumbai 400 021
Maharashtra, India
Tel: +91 (22) 4933 5555
Fax: +91 (22) 4933 5550

Legal Counsel to the BRLMs as to Indian law	
J. Sagar Associates Vakils House, 18 Sprott Road Ballard Estate Mumbai – 400 001 Maharashtra, India Tel: +91 (22) 4341 8600 Fax: +91 (22) 4341 8617	
Statutory Auditors to our Company	
B S R & Co. LLP Godrej Waterside, Unit No. 603 6th Floor, Tower 1, Plot No. 5 Block – DP, Sector V Salt Lake, Kolkata – 700 091 Tel: +91 (33) 4403 4000 Fax: +91 (33) 4403 4199 E-Mail: jayanta@bsraffiliates.com Firm Registration Number: 101248W/W-100022 Peer Review Certificate Number: 009060	
Registrar to the Issue	
Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32 Gachibowli, Financial District Nanakramguda, Hyderabad 500 032 Telangana, India Telephone: +91 (40) 6716 2222 Fascimile: +91 (40) 2343 1551 E-Mail: einward.ris@karvy.com Investor Grievance ID: sencogold.ipo@karvy.com Website: www.karisma.karvy.com Contact Person: M Murali Krishna SEBI Registration No: INR000000221	
Escrow Collection Banks	
[●]	
Refund Bankers	
[●]	
Public Issue Account Bank	
[●]	
Bankers to our Company	
Yes Bank Limited 56A, Hemanta Basu Sarani Kolkata – 700 001 Maharashtra, India Tel: +91 33 30979109 Fax: +91 33 30979132 E-mail: ankitkumar.kharkia@yesbank.in Contact Person: Ankit Kumar Kharkia Website: www.yesbank.in	**State Bank of India** SBI, Overseas Branch, Kolkata Samriddhi Bhavan, Block – A 1 Strand Road, Kolkata – 700 001 Tel.: +91 33 2243 7179 Fax: +91 33 2243 7836 E-mail: anupam.biswas@sbi.co.in Contact Person: Anupam Biswas
Indusind Bank Limited Unit No 401 & 404, 4th floor, Tower A Peninsula Corporate Park, Ganpat Rao Kadam Marg, Off Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 Tel: +91 22 4368 0433 Fax: - E-mail: abhishek.bhushan@indusind.com Contact Person: Abhishek Bhushan Website: www.indusindbank.com	**IDFC Bank Limited** 64B Ballygunge Circular Road 1st Floor Kolkata – 700 019 Tel: +91 33 66390710 Fax: +91 33 22870429 Email: navneet.daga@idfcbank.com Contact Person: Navneet Daga Website: www.idfcbank.com

HDFC Bank Limited
Bank House
3A, Gurusaday Road
2nd floor, Kolkata – 700 019
Tel: +91 33 6638 4125
Fax: -
E-mail: abhisheik.chatterjee@hdfcbank.com
Contact Person: Abhishek Chatterjee
Website: www.hdfcbank.com

DCB Bank Limited
6th Floor, Tower A, Peninsula Business Park
Senapati Bapat Marg, Lower Parel
Mumbai, Maharashtra – 400 013
Tel: +91 9836420534
Fax: -
E-mail: debaditya.biswas@dcbbank.com
Contact Person: Debaditya Sinha Biswas
Website: www.dcbbank.com

Kotak Mahindra Bank Limited
15, Park Street, Apeejay House
C-Block, 7th Floor
Kolkata – 700 016
Tel: +91 33 6633 3070
Fax: +91 33 6633 3066
E-mail: bibhudutta.dash@kotak.com
Contact Person: Bibhudutta Dash
Website: www.kotak.com

The South Indian Bank Limited
Oswal Chambers
No. 2 Church Lane
Kolkata – 700 001
Tel: +91 33 2262 4816
Fax: -
E-mail: binoyrk@sib.co.in
Contact Person: Binoy R K
Website: www.southindianbank.com

Allahabad Bank
Stephen House
4 B.B.D Bag (East)
Kolkata – 700 001
Tel: +91 9478594590
Fax: +91 33 22301326
E-mail: prempaul1967@gmail.com
Contact Person: Prem Paul
Website: www.allahabadbank.in

Axis Bank Limited
A.C Market Building,
3rd floor, 1, Shakespeare Sarani,
Kolkata - 700071
Tel: +91 33 67014400
Fax: -
E-mail: biswarup.mookherjee@axisbank.com
Contact Person: Biswarup Mookherjee
Website: www.axisbank.com

DESIGNATED INTERMEDIARIES

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and as updated from time to time. For details of the list of the SCSB Branches named by the respective SCSB which shall collect the Bid cum Application Forms, please refer to the above-mentioned link.

Syndicate SCSB Branches

For the list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link. Further, the branches of the SCSBs where the Syndicate at the Specified Locations could submit the Bid cum Application Form is provided on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, as updated from time to time.

Registered Brokers

The list of the Registered Brokers eligible to accept ASBA Forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 and http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, as updated from time to time.

RTAs

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of the Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Experts

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

Our Company has received written consent, dated August 20, 2018, from the Auditors to include their name as an 'expert' in this Draft Red Herring Prospectus (including as an "expert" as defined under section 2(38) of the Companies Act, 2013) in relation to the examination reports of the Auditors, dated August 6, 2018 on the Restated Financial Information of our Company and the statement of tax benefits dated August 20, 2018, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "Expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent, dated August 9, 2018, from Sanyalson Associates Consultants Private Limited, an independent architect to include their name as an 'expert' in this Draft Red Herring Prospectus (including as an "expert" as defined under section 2(38) of the Companies Act, 2013) in relation to the extracts of the certificate, dated August 9, 2018, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "Expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Monitoring Agency

In terms of Regulation 16(1) of the SEBI ICDR Regulations, a monitoring agency shall be appointed to monitor the utilisation of the Net Proceeds and details thereof shall be updated, prior to the filing of the Red Herring Prospectus with the RoC.

IPO Grading

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

Appraising Entity

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

Credit Rating

As this is an issue of Equity Shares, credit rating is not required in respect of obtaining grading for Issue.

Trustee(s)

As this is an issue of Equity Shares, the appointment of trustee(s) is not required.

INTER-SE ALLOCATION OF RESPONSIBILITIES

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

Sr. No.	Activity	Responsibility	Co-ordination
1.	Capital structuring with the relative components and type of instruments and positioning strategy	IDFC Bank, IIFL, I-Sec, Emkay and YES Securities	IDFC Bank
2.	Pre-Issue due diligence of our Company including its operations/management/business plans/legal etc., drafting and design of DRHP, RHP and Prospectus. Ensure compliance and completion of prescribed formalities with the Stock Exchanges, SEBI and RoC including finalisation of RHP and Prospectus	IDFC Bank, IIFL, I-Sec, Emkay and YES Securities	IDFC Bank
3.	Drafting and approval of all statutory advertisements	IDFC Bank, IIFL, I-Sec, Emkay and YES Securities	IDFC Bank
4.	Drafting and approval of all publicity material other than statutory advertisements as mentioned in serial number 3 above, including corporate advertising, brochures, media monitoring and filing of media compliance report	IDFC Bank, IIFL, I-Sec, Emkay and YES Securities	IIFL
5.	Appointment of Registrar to the Issue and printers (including coordinating all agreements to be entered with such parties)	IDFC Bank, IIFL, I-Sec, Emkay and YES Securities	I-Sec
6.	Appointment of advertising agency (including coordinating agreement to be entered with such party)	IDFC Bank, IIFL, I-Sec, Emkay and YES Securities	IIFL
7.	Appointment of Escrow Collection Banks and monitoring Agency (including coordinating all agreements to be entered with such parties)	IDFC Bank, IIFL, I-Sec, Emkay and YES Securities	IIFL
8.	Preparation of road show presentation and FAQs for the road show team	IDFC Bank, IIFL, I-Sec, Emkay and YES Securities	I-Sec
9.	International institutional marketing of the Issue, which will cover, *inter alia*: • Institutional marketing strategy • Finalising the list and division of international investors for one-to-one meetings • Finalising international road show and investor meeting schedules	IDFC Bank, IIFL, I-Sec and YES Securities	IDFC Bank
10.	Domestic institutional marketing of the Issue, which will cover, *inter alia*: • Finalising the list and division of domestic investors for one-to-one meetings • Finalising domestic road show and investor meeting schedules	IDFC Bank, IIFL, I-Sec, Emkay and YES Securities	I-Sec

Sr. No.	Activity	Responsibility	Co-ordination
11.	Conduct non-institutional marketing of the Issue	IDFC Bank, IIFL, I-Sec, Emkay and YES Securities	IIFL
12.	Conduct retail marketing of the Issue, which will cover, inter-alia: • Finalising media, marketing, public relations strategy and publicity budget • Finalising collection centres • Finalising centres for holding conferences for brokers etc. • Follow-up on distribution of publicity and Issue material including form, RHP/Prospectus and deciding on the quantum of the Issue material	IDFC Bank, IIFL, I-Sec, Emkay and YES Securities	I-Sec
13.	Coordination with Stock Exchanges for book building software, bidding terminals and mock trading, deposit of 1% security deposit and managing Anchor book related activities and submission of letters to regulators post completion of Anchor issue	IDFC Bank, IIFL, I-Sec, Emkay and YES Securities	I-Sec
14.	Managing the book and finalization of pricing in consultation with our Company	IDFC Bank, IIFL, I-Sec, Emkay and YES Securities	IDFC Bank
15.	Post-issue activities, management of escrow accounts, finalization of the basis of allotment based on technical rejections, listing of instruments, demat credit and refunds/ unblocking of funds, handling of investor grievances for redressal, coordination with SEBI and Stock Exchanges for refund of 1% security deposit and coordination with various agencies connected with the post-issue activity such as registrars to the issue, bankers to the issue, SCSBs, including responsibility for execution of underwriting arrangements, as applicable	IDFC Bank, IIFL, I-Sec, Emkay and YES Securities	YES Securities

BOOK BUILDING PROCESS

The Issue is being undertaken in accordance with Rule 19(2)(b) of the SCRR, as amended, in compliance with Regulation 26(1) of the SEBI ICDR Regulations. The book building, in the context of the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band, which will be decided by our Company, in consultation with the BRLMs, and advertised in the English national newspaper, Hindi national newspaper, and Bengali newspaper (Bengali being the regional language of West Bengal where our Registered Office and Corporate Office is located), each with wide circulation, at least five Working Days prior to the Bid / Issue Opening Date. The Issue Price is finalised after the Bid / Issue Closing Date. The principal parties involved in the Book Building Process are:

- our Company;
- the BRLMs;
- the Syndicate Members;
- the SCSBs;

- the Registered Brokers;
- the Registrar to the Issue;
- the Escrow Collection Bank(s);
- the RTAs; and
- the Collecting Depository Participants.

The Issue is being made through the Book Building Process in compliance with Regulation 26(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Issue shall be allotted on a proportionate basis to QIBs. Our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, and one-third of the Anchor Investor Portion shall be available for allocation to domestic Mutual Funds, only subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs (including Mutual Funds) subject to valid Bids being received from them at or above the Issue Price. In the event that the demand from Mutual Funds is greater than 5% of the Net QIB Portion, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the Net QIB Portion and allocated to QIBs (including Mutual Funds) on a proportionate basis, subject to valid Bids at or above Issue Price. An Anchor Investor shall make a minimum Bid of such number of Equity Shares such that the Bid Amount is at least ₹100 million.

Not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, under subscription, if any, in any category except in the QIB Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable law.

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

In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion 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 their Bids during the Bid/Issue Period and withdraw their Bids until the Bid / Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid / Issue Period. Allocation to the Anchor Investors will be on a discretionary basis.

Our Company confirms that it will comply with the SEBI ICDR Regulations and any other directions issued by SEBI for this Issue. The process of Book Building under the SEBI ICDR Regulations and the Bidding Process are subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to submitting a Bid in the Issue. For further details on the method and procedure for Bidding, see "*Issue Structure*" and "*Issue Procedure*" on pages 479 and 482. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment.

Illustration of Book Building Process and Price Discovery Process

For an illustration of the Book Building Process and price discovery process, see "*Issue Procedure – Part B – Basis of Allocation - Illustration of the Book Building and Price Discovery Process*" on page 76.

Offer Programme

For further information on the Offer Programme, see "*Terms of the Issue*" on page 474 of this Draft Red Herring Prospectus.

UNDERWRITING AGREEMENT

After the determination of the Issue Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company intends to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. The underwriting shall be to the extent of the Bids uploaded, subject to Regulation 13 of the SEBI ICDR Regulations. Pursuant to the terms of the Underwriting Agreement dated [●], the obligations of the Underwriters will be several and will be subject to certain conditions specified therein. By way of the Underwriting Agreement, the Underwriters have indicated their intention to underwrite the following number of Equity Shares:

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

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

The above-mentioned underwriting commitments are indicative and actual underwriting devolvement will be finalised after determination of Issue Price and Basis of Allotment and actual allocation and subject to the provisions of the SEBI ICDR Regulations.

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

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

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

The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and our Company intends to enter into an Underwriting Agreement with the Underwriters after the determination of the Issue Price and allocation of Equity Shares, but prior to filing the Prospectus with the RoC.

CAPITAL STRUCTURE

The equity and preference share capital of our Company as at the date of this Draft Red Herring Prospectus is set forth below:

(₹, except share data)

Sr. No.	Particulars	Aggregate value at face value	Aggregate value at Issue Price (₹ in million)
A.	**AUTHORISED SHARE CAPITAL**		
	100,000,000 Equity Shares of face value ₹10	1,000,000,000	
	14,000,000 CCPS of face value ₹10	140,000,000	
	TOTAL	**1,140,000,000**	
B.	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AS ON DATE OF THIS DRAFT RED HERRING PROSPECTUS**		
	53,186,112 Equity Shares	531,861,120	
	13,296,153 CCPS	132,961,530	
C.	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL PRIOR TO THE ISSUE (UPON CONVERSION OF CCPS) – FULLY DILUTED BASIS**		
	66,482,265 Equity Shares	664,822,650	
D.	**PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	Issue of [●] Equity Shares aggregating up to 6,000 million [(1)]	[●]	[●]
E.	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE**		
	[●] Equity Shares	[●]	
F.	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue		314.35
	After the Issue		[●]

(1) The Issue has been authorised by a resolution passed by our Board of Directors on July 23, 2018, and a special resolution passed by our Shareholders in their EGM held on July 23, 2018.

NOTES TO THE CAPITAL STRUCTURE

1. CHANGES IN AUTHORISED SHARE CAPITAL OF OUR COMPANY

For details on the change in authorised share capital of our Company, see "*History and Certain Corporate Matters*" on page 147.

2. SHARE CAPITAL HISTORY OF OUR COMPANY

(a) The history of the equity share capital of our Company is set out in the table below:

Date of allotment/ transfer	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Reason/Nature of allotment or transfer	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
At incorporation	1,000	1,000	1,000	Cash	Initial subscription to the MOA[(1)]	1,000	1,000,000
August 1, 1996	5,198	1,000	1,000	Cash	Further issue[(2)]	6,198	6,198,000
March 25, 1997	200	1,000	1,000	Cash	Further issue[(3)]	6,398	6,398,000
September 22, 1997	3,602	1,000	1,000	Other than cash	Pursuant to acquisition of Senco	10,000	10,000,000

Date of allotment/ transfer	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Reason/Nature of allotment or transfer	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
					Jewellery Mart(4)		
March 15, 2005	7,500	1,000	1,000	Cash	Pursuant to conversion of loan into equity(5)	17,500	17,500,000
Pursuant to a Board resolution dated March 2, 2006 and Shareholders' resolution dated March 29, 2006**,** each equity share of our Company of face value ₹1,000 was divided into 100 fully paid-up Equity Shares and consequently the cumulative number of Equity Shares stood increased to 17,50,000 Equity Shares.							
March 26, 2007	4,147,564	10	16.56	Other than cash	Pursuant to the takeover of Senco Gold Museum and Senco Gold Mart, by our Company(6)	5,897,564	58,975,640
September 1, 2007	2,066,000	10	10	Cash	Rights issue (7)	7,963,564	79,635,640
September 6, 2007	400	10	10	Cash	Further issue (8)	7,963,964	79,639,640
August 30, 2008	3,981,982	10	-	Bonus	Bonus issue in the ratio 2:1 (9)	11,945,946	119,459,460
August 21, 2012	3,250,000	10	10	Cash	Further issue(10)	15,195,946	151,959,460
October 5, 2012	2,532,658	10	-	Bonus	Bonus issue in the ratio 6:1(11)	17,728,604	177,286,040
October 8, 2014	100	10	10	Cash	Further issue (12)	17,728,704	177,287,040
May 6, 2018	35,457,408	10	-	Bonus	Bonus issue in the ratio 1:2(13)	53,186,112	531,861,120

(1) *500 equity shares of face value ₹1,000 each were allotted to Sankar Sen and 500 equity shares of face value ₹1,000 each were allotted to Ranjana Sen.*

(2) *3,248 equity shares of face value ₹1,000 each were allotted to Sankar Sen, 50 equity shares of face value ₹1,000 each were allotted to Ranjana Sen, 900 equity shares of face value ₹1,000 each were allotted to P.C. Sen and 1,000 equity shares of face value ₹1,000 each were allotted to Minati Sen*

(3) *100 equity shares of face value ₹1,000 each were allotted to Ranjana Sen, 100 equity shares of face value ₹1,000 each were allotted to Sankar Sen.*

(4) *2,158 equity shares of face value ₹1,000 each were allotted to Sankar Sen and 1,444 equity shares of face value ₹1,000 each were allotted to Minati Sen.*

(5) *7,500 equity shares of face value ₹1,000 each were allotted to Sankar Sen.*

(6) *3,458,308 Equity Shares were allotted to Sankar Sen (being the proprietor of Senco Gold Museum) and 689,256 Equity Shares were allotted to Ranjana Sen (being the proprietor of Senco Gold Mart).*

(7) *1,099,000 Equity Shares were allotted to Sankar Sen and 967,000 Equity Shares were allotted to Suvankar Sen pursuant to rights issue.*

(8) *100 Equity Shares were allotted to Anjana Dutta, 100 Equity Shares were allotted to Tapashi Mullick, 100 Equity Shares were allotted to Arpita Day and 100 Equity Shares were allotted to Susmita Das.*

(9) *2,948,954 Equity Shares were allotted to Sankar Sen, 377,128 Equity Shares were allotted to Ranjana Sen, 655,700 Equity Shares were allotted to Suvankar Sen, 50 Equity Shares were allotted to Anjana Dutta, 50 Equity Shares were allotted to Tapashi Mullick, 50 Equity Shares were allotted to Arpita Day and 50 Equity Shares were allotted to Susmita Das.*

(10) *2,000,000 Equity Shares were allotted to Sankar Sen and 1,250,000 Equity Shares were allotted to Ranjana Sen.*

(11) *1,807,811 Equity Shares were allotted to Sankar Sen, 396,897 Equity Shares were allotted to Ranjana Sen, 327,850 Equity Shares were allotted to Suvankar Sen, 25 Equity Shares were allotted to Anjana Dutta, 25 Equity Shares were allotted to Tapashi Mullick, 25 Equity Shares were allotted to Arpita Day and 25 Equity Shares were allotted to Susmita Das.*

(12) *100 Equity Shares were allotted to SAIF Partners on account of the investment by SAIF Partners in our Company pursuant to the subscription agreement dated September 26, 2014 (the "****Investment****"). For details in relation to the Investment, please see "History and Certain Corporate Matters – Shareholders' Agreements*" *on page 151.*

(13) 22,957,686 Equity Shares were allotted to Jai Hanuman Shri Siddhivinayak Trust, 3,556,164 Equity Shares were allotted to Om Gaan Ganpataye Bajrangbali Trust, 4,589,900 Equity Shares were allotted to Suvankar Sen, 3,796,402 Equity Shares were allotted to Sankar Sen, 555,656 Equity Shares were allotted to Ranjana Sen, 350 Equity Shares were allotted to Anjana Dutta, 350 Equity Shares were allotted to Tapashi Mullick, 350 Equity Shares were allotted to Arpita Day, 350 Equity Shares were allotted to Susmita Das and 200 Equity Shares were allotted to SAIF Partners.

In relation to certain of our corporate documents and records that are not traceable or inadvertent errors in certain of our regulatory filings and records, including our statutory register of share transfer, see – *Risk Factors* – "*Some of our corporate records and statutory filings are lost or not traceable in relation to certain disclosures made in this Draft Red Herring Prospectus*" on page 33.

(b) This history of issuance of CCPS by our Company is set out in the table below:

Date of allotment	Number of CCPS allotted	Face value per CCPS (₹)	Issue price per CCPS (₹)	Nature of consideration	Reason/Nature of allotment	Cumulative number of CCPS
October 8, 2014	4,432,051	10	10	Cash	Further issue[(1)]	4,432,051
May 6, 2018	8,864,102	10	-	Bonus	Bonus issue in the ratio 1:2[(2)]	13,296,153

(1) 4,432,051 CCPS were allotted to SAIF Partners. For details in relation to the Investment, please see "History and Certain Corporate Matters – Shareholders' Agreements" on page 151.
(2) 8,864,102 CCPS were allotted to SAIF Partners.

3. ISSUE OF EQUITY SHARES WHICH MAY BE AT A PRICE LOWER THAN THE ISSUE PRICE

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

Date of allotment	Number of Equity Shares allotted	Name of allottee (s)	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Reason for allotment
May 6, 2018	35,457,408	The existing shareholders of our Company[(1)]	10	-	Bonus issue in the ratio 1:2

(1) 22,957,686 Equity Shares were allotted to Jai Hanuman Shri Siddhivinayak Trust, 3,556,164 Equity Shares were allotted to Om Gaan Ganpataye Bajrangbali Trust, 4,589,900 Equity Shares were allotted to Suvankar Sen, 3,796,402 Equity Shares were allotted to Sankar Sen, 555,656 Equity Shares were allotted to Ranjana Sen, 350 Equity Shares were allotted to Anjana Dutta, 350 Equity Shares were allotted to Tapashi Mullick, 350 Equity Shares were allotted to Arpita Day, 350 Equity Shares were allotted to Susmita Das and 200 Equity Shares were allotted to SAIF Partners.

4. ISSUE OF EQUITY SHARES IN THE LAST TWO PRECEDING YEARS

For details in relation to issue of Equity Shares in the last two preceding years immediately preceding the date of this Draft Red Herring Prospectus, please see *"- Share Capital History of our Company"* on page 78.

5. ISSUE OF SHARES FOR CONSIDERATION OTHER THAN CASH

(a) Our Company has not issued any equity shares out of revaluation reserves.

(b) Except as set out below, our Company has not issued equity shares for consideration other than cash. Further, except as disclosed below, no benefits have accrued to our Company on account of allotment of equity shares for consideration other than cash:

Date of allotment	Number of equity shares allotted	Name of allottee (s)	Face value per equity share (₹)	Issue price per equity share (₹)	Reason for allotment	Benefits accrued to our Company
September 22, 1997	3,602	Members of our Promoter and Promoter Group(1)	1,000	1,000	Pursuant to acquisition of Senco Jewellery Mart(1)	Transfer of the business of Senco Jewellery Mart
March 26, 2007	4,147,564	Members of our Promoter and Promoter Group (2)	10	16.56	Pursuant to the takeover of Senco Gold Museum and Senco Gold Mart, by our Company(2)	Transfer of the business of Senco Gold Museum and Senco Gold Mart on a going-concern basis, to our Company. For further details, see *"History and Certain Corporate Matters – Details regarding acquisition of business/undertakings/mergers and amalgamation"* on page 150

(1) 2,158 equity shares of face value ₹1,000 each were allotted to Sankar Sen and 1,444 equity shares of face value ₹1,000 each were allotted to Minati Sen.

(2) 3,458,308 Equity Shares were allotted to Sankar Sen (being the proprietor of Senco Gold Museum) and 689,256 Equity Shares were allotted to Ranjana Sen (being the proprietor of Senco Gold Mart).

6. HISTORY OF THE EQUITY SHARE CAPITAL HELD BY OUR PROMOTERS, PROMOTERS' CONTRIBUTION AND LOCK-IN

As on the date of this Draft Red Herring Prospectus, our Promoters hold 52,350,228 Equity Shares, equivalent to 98.43% of the issued, subscribed and paid-up Equity Share capital of our Company and 78.74% of the share capital of our Company on a fully diluted basis (upon conversion of CCPS). All equity shares issued to our Promoters were fully-paid up at the time of allotment.

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

The build-up of the equity shareholding of each of our Promoters since incorporation of our Company is set out in the tables below:

(i) Sankar Sen

Date of allotment /transfer	Nature of transaction	Number of equity shares	Nature of consideration	Face value (₹)	Issue price / transfer price per equity share (₹)	Percentage of the pre-Issue capital as on the date of this Draft Red Herring Prospectus (%)	Percentage of the pre-Issue capital (upon conversion of CCPS) (%)	Percentage of the post-Issue capital (%)
At incorporation	Initial subscription to MOA	500	Cash	1,000	1,000	0.09	0.08	[●]
August 1, 1996	Further issue	3,248	Cash	1,000	1,000	0.61	0.49	[●]
March 25, 1997	Further issue	100	Cash	1,000	1,000	0.02	0.02	[●]
September 22, 1997	Further issue	2,158	Other than cash	1,000	1,000	0.41	0.32	[●]
Fiscal 2000	Transfer of equity shares to Minati Sen	(100)	Cash	1,000	1,000	(0.02)	(0.02)	[●]
March 15, 2005	Further issue	7,500	Cash*	1,000	1,000	1.41	1.13	[●]
March 31, 2006	Sub division of 13,406 shares from ₹1,000 each to ₹10 each	1,340,600	Sub division of shares	10	-	2.52	2.02	[●]
March 26, 2007	Pursuant to the takeover of Senco Gold Museum and Senco Gold Mart, by our Company	3,458,308	Other than cash	10	16.56	6.50	5.20	[●]
September 1, 2007	Further issue	1,099,000	Cash	10	10	2.07	1.65	[●]
August 30, 2008	Bonus issue in the ratio 2:1	2,948,954	Bonus	10	-	5.54	4.44	[●]
August 21, 2012	Further issue	2,000,000	Cash	10	10	3.76	3.01	[●]
October 5, 2012	Bonus issue in the ratio 6:1	1,807,811	Bonus	10	-	3.40	2.72	[●]
April 4, 2017	Transfer of Equity Shares to Om Gaan Ganpataye Bajrangbali Trust	(10,756,472)	Other than cash	10	-	(20.22)	(16.18)	[●]
May 6, 2018	Bonus issue in the ratio of 1:2	3,796,402	Bonus	10	-	7.14	5.71	[●]
Total		**5,694,603**				**10.71**	**8.57**	[●]

*Conversion of unsecured loan given by Sankar Sen to the Company to 7,500 equity shares.

(ii) Suvankar Sen

Date of allotment / transfer	Nature of transaction	Number of equity shares	Nature of consideration	Face value (₹)	Issue price / Transfer price per equity share (₹)	Percentage of the pre-Issue capital as on the date of this Draft Red Herring Prospectus (%)	Percentage of the pre-Issue capital (upon conversion of CCPS) (%)	Percentage of the post-Issue capital (%)
February 24, 1999	Transfer of shares from Minati Sen by way of gift	2,444	Not applicable since transfer was pursuant to a gift(1)	1,000	-	0.46	0.37	[●]
March 15, 2002	Transfer of shares from Minati Sen by way of gift	1,000	Not applicable since transfer was pursuant to a gift	1,000	-	0.19	0.15	[●]
March 31, 2006	Sub division of shares from ₹1,000 each to ₹10 each	344,400	Sub division of shares	10	-	0.65	0.52	[●]
September 1, 2007	Further issue	967,000	Cash	10	10	1.82	1.45	[●]
August 30, 2008	Bonus issue in the ratio of 2:1	655,700	Bonus	10	-	1.23	0.99	[●]
October 5, 2012	Bonus issue in the ratio of 6:1	327,850	Bonus	10	-	0.62	0.49	[●]
May 6, 2018	Bonus issues in the ratio of 1:2	4,589,900	Bonus	10	-	8.63	6.90	[●]
Total		**6,884,850**				**12.94**	**10.36**	[●]

(1) Since Suvankar Sen was a minor at the time that the 2,444 equity shares were gifted to him by Minati Sen, they were held by his legal guardian, namely, Sankar Sen, until October 11, 2001, when Suvankar Sen turned 18 years old and could hold the equity shares individually.

(iii) Jai Hanuman Shri Siddhivinayak Trust

Date of allotment / transfer	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value (₹)	Issue price / Transfer price per Equity Share (₹)	Percentage of the pre-Issue capital as on the date of this Draft Red Herring Prospectus (%)	Percentage of the pre-Issue capital (upon conversion of CCPS) (%)	Percentage of the post-Issue capital (%)
April 4, 2017	Transfer of shares from Ranjana Sen	2,500,453	Not applicable since transfer was pursuant to a gift	10	-	4.70	3.76	[●]
August 11, 2017	Transfer of shares from Ranjana Sen	8,978,390	Not applicable since transfer was pursuant to a gift	10	-	16.88	13.50	[●]

Date of allotment / transfer	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value (₹)	Issue price / Transfer price per Equity Share (₹)	Percentage of the pre-Issue capital as on the date of this Draft Red Herring Prospectus (%)	Percentage of the pre-Issue capital (upon conversion of CCPS) (%)	Percentage of the post-Issue capital (%)
May 6, 2018	Bonus issues in the ratio of 1:2	22,957,686	Bonus	10	-	43.16	34.53	[●]
Total		**34,436,529**				**64.75**	**51.80**	

(iv) Om Gaan Ganpataye Bajrangbali Trust

Date of allotment / Transfer	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value (₹)	Issue price / Transfer price per Equity Share (₹)	Percentage of the pre-Issue capital as on the date of this Draft Red Herring Prospectus (%)	Percentage of the pre-Issue capital (upon conversion of CCPS) (%)	Percentage of the post-Issue capital (%)
April 4, 2017	Transfer of shares from Sankar Sen	10,756,472	Not applicable since transfer was pursuant to a gift	10	-	20.22	16.18	[●]
August 4, 2017	Transfer of shares to Ranjana Sen	(8,978,390)	Not applicable since transfer was pursuant to a gift	10	-	(16.88)	(13.50)	[●]
May 6, 2018	Bonus issues in the ratio of 1:2	3,556,164	Bonus	10	-	6.69	5.35	[●]
Total		**5,334,246**				**10.03**	**8.02**	

- All the equity shares held by each of our Promoters (individually as well as jointly with other Shareholders) were fully paid-up on the respective dates of acquisition/allotment of such equity shares.

- Except as disclosed in this Draft Red Herring Prospectus, our Promoters have not undertaken any sale of equity shares of our Company since incorporation.

- As on the date of this Draft Red Herring Prospectus, our Promoters have not pledged any of the Equity Shares that they hold in our Company with any creditor and are not subject to any other encumbrance.

(b) Shareholding of our Promoters and members of the Promoter Group

The details of the equity shareholding of our Promoters and the members of the Promoter Group in our Company as on the date of this Draft Red Herring Prospectus are as follows:

S. No	Name of the Shareholder	Pre – Issue (as on date of this DRHP)		Post - Issue	
		No of equity shares	Percentage of total equity shareholding	No of Equity Shares	Percentage of Total Equity shareholding
Individual Promoters					
1.	Sankar Sen	5,694,603	10.71%	[●]	[●]
2.	Suvankar Sen	6,884,850	12.94%	[●]	[●]
	Total (A)	**12,579,453**	**23.65%**	[●]	[●]
Other Promoters					
1.	Jai Hanuman Shri Siddhivinayak Trust	34,436,529	64.75%	[●]	[●]
2.	Om Gaan Ganpataye Bajrangbali Trust	5,334,246	10.03%	[●]	[●]
	Total (B)	**39,770,775**	**74.78%**	[●]	[●]
	Total (A+B)	**52,350,228**	**98.43%**	[●]	[●]
Promoter Group					
1.	Ranjana Sen	833,484	1.57%	[●]	[●]
2.	Anjana Dutta	525	Negligible	[●]	[●]
3.	Tapashi Mullick	525	Negligible	[●]	[●]
4.	Arpita Day	525	Negligible	[●]	[●]
5.	Susmita Das	525	Negligible	[●]	[●]
	Total (C)	**835,584**	**1.57%**	[●]	[●]
	Total (A+B+C)	**53,185,812**	**~99.99%**	**[●]**	**[●]**

(c) Details of Promoters' contribution and lock-in:

(i) Pursuant to Regulations 32 and 36 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Issue Equity Share capital of our Company held by our Promoters shall be locked-in for a period of three years as minimum promoters' contribution from the date of Allotment ("**Promoters' Contribution**"), and our Promoters' shareholding in excess of 20% of the fully diluted post-Issue Equity Share capital shall be locked-in for a period of one year from the date of Allotment.

(ii) Details of the Equity Shares to be locked-in for three years as minimum Promoters' Contribution are as follows:

Name of the Promoter	No. of Equity Shares to be locked in	Date of transaction and when made fully paid-up	Nature of transaction	Date of allotment of the Equity Shares	Face value per Equity Share (₹)	Issue / acquisition price per Equity Share (₹)	No. of Equity Shares locked-in	Percentage of the pre-Issue paid-up Equity Share capital (%)	Percentage of the post-Issue paid-up Equity Share capital (%)
Sankar Sen	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Suvankar Sen	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Jai Hanuman Shri Siddhivinayak Trust	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Om Gaan Ganpataye Bajrangbali Trust	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

Name of the Promoter	No. of Equity Shares to be locked in	Date of transaction and when made fully paid-up	Nature of transaction	Date of allotment of the Equity Shares	Face value per Equity Share (₹)	Issue / acquisition price per Equity Share (₹)	No. of Equity Shares locked-in	Percentage of the pre-Issue paid-up Equity Share capital (%)	Percentage of the post-Issue paid-up Equity Share capital (%)
Total							[●]	[●]	[●]

Note: To be updated at the Prospectus stage

(iii) Our Promoters have confirmed to our Company and the BRLMs that the Equity Shares held by our Promoters shall be locked-in for three years as minimum Promoters' Contribution.

(iv) Our Promoters have consented to include such number of Equity Shares held by them as may constitute 20% of the fully-diluted post-Issue Equity Share capital of our Company as minimum Promoters' Contribution. Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner, minimum Promoters' Contribution from the date of this Draft Red Herring Prospectus until the expiry of the lock-in period mentioned above, or for such other time as required under the SEBI ICDR Regulations, except as may be permitted in accordance with the SEBI ICDR Regulations.

(v) The minimum Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot and from the person defined as 'promoter' under the SEBI ICDR Regulations. Our Company undertakes that the Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoters' Contribution in terms of Regulation 33 of SEBI ICDR Regulations.

(vi) In this connection, we confirm the following:

- The Equity Shares offered for minimum Promoters' Contribution do not include (a) Equity Shares acquired in the last three years for consideration other than cash wherein revaluation of assets or capitalisation of intangible assets was involved, or (b) bonus shares out of revaluation reserves or unrealised profits of our Company or bonus shares issued against Equity Shares which are otherwise ineligible for computation of minimum Promoters' Contribution;

- The minimum Promoters' Contribution does not include any Equity Shares acquired during the preceding one year, and at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;

- All the Equity Shares held by the Promoters are in dematerialized form; and

- Our Company has not transformed by conversion of a partnership firm into a company and hence, no Equity Shares have been issued in one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion into a partnership firm.

(d) Other lock-in requirements:

(i) In addition to the 20% of the fully diluted post-Issue shareholding of our Company held by our Promoters and locked-in for three years as specified above, the entire pre-Issue Equity Share capital of our Company, will be locked-in for a period of one year from the date of Allotment, except for the Equity Shares held by a VCF, FVCI or Category I or Category II AIF (provided that such Equity Shares shall be locked in for a period of at least one year from the date of purchase by such VCF or AIF or FVCI) and the Equity Shares held by persons, who are employees (who continue to be employees as on the date of Allotment) pursuant to allotment under the ESOP Scheme 2018.

(ii) Pursuant to Regulation 39(a) of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in for a period of three years from the date of Allotment may 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 the loan has been granted by such bank or institution for the purpose of financing one or more of the objects of the Issue and pledge of the Equity Shares is a term of sanction of the loan.

(iii) Pursuant to Regulation 39(b) of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in for a period of one year from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans.

(iv) In terms of Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by our Promoters may be transferred to a member of the Promoter Group or a new promoter or persons in control of our Company, subject to continuation of lock-in applicable to the transferee for the remaining period and compliance with provisions of the Takeover Regulations as applicable and such transferee shall not be eligible to transfer them till the lock-in period stipulated in SEBI ICDR Regulations has expired. Further, in terms of Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by persons other than our Promoters prior to the Issue and locked-in for a period of one year, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuance of the lock-in at the hands of the transferee and compliance with the provisions of the Takeover Regulations.

(e) Lock in of Equity Shares Allotted to Anchor Investors

Any Equity Shares Allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

7. SHAREHOLDING PATTERN OF OUR COMPANY

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

Category (I)	Category of Shareholder (II)	No. of Shareholders (III)	No. of fully paid-up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of Equity Shares underlying depository receipts (VI)	Total No. of Equity Shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR) (VIII) As a % of (A+B+C2)	Number of voting rights held in each class of securities (IX)			No. of Equity Shares underlying outstanding convertible securities (including warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted Equity Share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	No. of locked-in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		No. of Equity Shares held in dematerialized form (XIV)
								No of voting rights									
								Class (Equity)	Total	Total as a % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
(A)	Promoters & Promoter Group	9	53,185,812	-	-	53,185,812	99.99	53,185,812	53,185,812	53,185,812	-	80.00		-		-	53,185,812
(B)	Public[(1)]	1	300	-	-	300	0.01	300	300	300	13,296,153	20.00		-		-	-
(C)	Non Promoter- Non Public	-	-	-	-	-	-	-	-	-	-	-		-		-	-
(C1)	Equity Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-		-		-	-
(C2)	Equity Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-		-		-	-
	Total	10	53,186,112	-	-	-	100.00	53,186,112	53,186,112	53,186,112	13,296,153	100.00		-		-	53,185,812

(1) SAIF Partners holds 13,296,153 CCPS

8. LIST OF TOP TEN SHAREHOLDERS OF THE COMPANY

On the date of this Draft Red Herring Prospectus, the top ten shareholders of the Company are as set forth below:

(a) ***The equity shareholders as on the date of this Draft Red Herring Prospectus and 10 days prior to the date of this Draft Red Herring Prospectus are as follows***:

Sr. No.	Name of the shareholder	No. of Equity Shares	Percentage of the pre-Issue capital (%)
1.	Jai Hanuman Shri Siddhivinayak Trust	34,436,529	64.75%
2.	Om Gaan Ganpataye Bajrangbali Trust	5,334,246	10.03%
3.	Suvankar Sen	6,884,850	12.94%
4.	Sankar Sen	5,694,603	10.71%
5.	Ranjana Sen	833,484	1.57%
6.	Anjana Dutta	525	Negligible
7.	Tapashi Mullick	525	Negligible
8.	Arpita Day	525	Negligible
9.	Susmita Das	525	Negligible
10.	SAIF Partners	300	Negligible
TOTAL		**5,31,86,112**	**100.00%**

(b) ***The equity shareholders two years prior to the date of this Draft Red Herring Prospectus are as follows***:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Issue capital (%)
1.	Sankar Sen	12,654,673	71.38
2.	Ranjana Sen	2,778,281	15.67
3.	Suvankar Sen	2,294,950	12.94
4.	Anjana Dutta	175	Negligible
5.	Tapashi Mullick	175	Negligible
6.	Arpita Day	175	Negligible
7.	Susmita Das	175	Negligible
8.	SAIF Partners	100	Negligible
TOTAL		**17,728,704**	**100.00%**

(3) DETAILS OF EQUITY SHARES HELD BY THE DIRECTORS AND KEY MANAGEMENT PERSONNEL OF OUR COMPANY

(a) Set out below are details of the Equity Shares held directly by our Directors or Key Managerial Peronnel in our Company as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Director	No. of Equity Shares	Percentage of the pre-Issue Equity Share capital (%)	Percentage of the post-Issue Equity Share capital (%)
1.	Sankar Sen	5,694,603	10.71%	[●]
2.	Suvankar Sen	6,884,850	12.94%	[●]
3.	Ranjana Sen	833,484	1.57%	[●]

Note: *The table set out above does not account for shares held by our Directors or Key Managerial Personnel in their capacity of trustees of Other Promoters.*

(4) The BRLMs and their respective associates (determined as per the definition of 'associate company' under the Companies Act, 2013, and as per definition of the term 'associate' under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares as on the date of this Draft Red Herring Prospectus. The BRLMs and their respective affiliates may engage in transactions with and perform services for our Company, in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.

(5) Our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956, or corresponding provisions under the Companies Act, 2013.

(6) Except as disclosed in this DRHP, our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation. For further details, please see "—*Share Capital History of our Company*" on page 78.

(7) No person connected with the Issue, including, but not limited to, our Company, the members of the Syndicate, our Directors or the members of our Promoter Group, shall offer in any manner whatsoever any incentive, whether direct or indirect, in cash, in kind or in services or otherwise to any Bidder for making a Bid. Further, no payment, direct or indirect benefit in the nature of commission (except underwriting commission that may be paid to the underwriters) and allowance or otherwise shall be offered or paid either by our Company or our Promoters to any person in connection with making an application for or receiving any Equity Shares pursuant to this Issue.

(8) Except the 13,296,153 CCPS allotted to SAIF Partners, there are no outstanding convertible securities or any other right which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus. For details in relation to the Investment, please see "*History and Certain Corporate Matters – Shareholders'Agreements"* on page 151.

(9) Except for the Equity Shares to be issued under the ESOP Scheme 2018, our Company does not have an employee benefit scheme existing as on the date of this Draft Red Herring Prospectus. As on the date of this Draft Red Herring Prospectus, no options have been granted by our Company to its employees.

(10) None of our Promoters and members of our Promoter Group, our Directors, and their relatives (as defined under the Companies Act, 2013) have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus with SEBI.

(11) Neither our Company, nor our Directors have entered into any buy-back, safety net and / or standby arrangements for purchase of Equity Shares from any person. Further, the BRLMs have not entered into any buy-back, safety net and/or standby arrangements for purchase of Equity Shares from any person.

(12) Our Company has not raised any bridge loans which are proposed to be repaid from the proceeds of the Issue.

(13) The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on date of this Draft Red Herring Prospectus.

(14) There are certain restrictive covenants in the loan facility agreements entered into by our Company with certain lenders. For further details, please refer to the chapter "*Financial Indebtedness*" on page 436.

(15) Our Company, Directors, Promoters or Promoter Group shall not make any payments direct or indirect, discounts, commissions, allowances or otherwise under the Issue except as disclosed in this Draft Red Herring Prospectus.

(16) The Company has 10 equity shareholders as on the date of this Draft Red Herring Prospectus.

(17) Except as disclosed in this Draft Red Herring Prospectus, none of the beneficiaries of loans, advances and sundry debtors are related to our Directors.

(18) None of the Equity Shares are pledged or otherwise encumbered.

(19) All Equity Shares issued pursuant to the Issue shall be fully paid-up at the time of allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

(20) Any oversubscription to the extent of 10% of the Issue can be retained for the purposes of rounding off to the nearest multiple of minimum allotment lot, while finalising the Basis of Allotment.

(21) Our Promoters and members of the Promoter Group will not submit Bids or participate in the Issue.

(22) There have been no financing arrangements whereby Promoters, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six months preceding the date of this Draft Red Herring Prospectus with SEBI.

(23) Our Company presently does not intend, or propose to, nor has it entered into any negotiations or consideration to alter its capital structure for a period of six months from the Bid / Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares, or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise. Provided, however, that the foregoing restrictions do not apply to: (a) the issuance of any Equity Shares under this Issue; (b) the conversion of 13,296,153 CCPS held by SAIF Partners on account of their investment; and (c) the exercise of options to be granted under the ESOP Scheme 2018. However, if our Company enters into arrangements for acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity through issue of further Equity Shares.

(24) In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "**SCRR**"), and in compliance with Regulation 26(1) of the SEBI ICDR Regulations this is an Issue wherein not more than 50% of the Issue will be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**"), provided that our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors, on a discretionary basis (the "**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. Further, such number of Equity Shares representing 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remaining Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors) including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not less than such number of Equity Shares representing 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than such number of Equity Shares representing 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All Bidders (except Anchor Investors) shall mandatorily participate in this Issue only through the Applications Supported by Blocked Amount ("**ASBA**") process and shall provide details of their respective bank accounts in which the Bid amount will be blocked by SCSBs to participate in the offer. For details, see "*Issue Procedure*" on page 482.

(25) Undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines.

(26) Except for Mutual Funds sponsored by entities related to the BRLMs, Syndicate Members and any persons related to the BRLMs or Syndicate Members cannot apply in the Issue under the Anchor Investor Portion. No person related to our Promoter or other members of the Promoter Group shall apply under the Anchor Investor Portion. A Bidder cannot make a Bid exceeding the number of Equity Shares offered through this Issue and subject to the investment limits or maximum number of Equity Shares that can be held by them under applicable law. For more information see "*Issue Procedure*" on page 482.

(27) Except for the conversion of 13,296,153 CCPS, the exercise of options granted under the ESOP Scheme 2018 and the Issue, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded as the case may be.

(28) There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

(29) Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

(30) Our Company shall ensure that transactions in the Equity Shares by our Promoters and the members of the Promoter Group between the date of registering the Red Herring Prospectus with RoC and the date of closure of the Issue shall be intimated to the Stock Exchanges within 24 hours of such transaction.

ESOP Scheme 2018

Pursuant to the resolution passed by our Board on May 22, 2018 and by our Shareholders on May 24, 2018, our Company has instituted the Senco Gold Limited Employee Stock Option Scheme 2018 ("**ESOP Scheme 2018**") for the issue of options exercisable into Equity Shares not exceeding 1,000,000 options. As per the ESOP Scheme 2018, the eligible employees include permanent employees of our Company and directors of our Company, excluding our Individual Promoters. Whilst vesting of options is linked to continuous employment with our Company, the options granted under ESOP Scheme 2018 shall vest not earlier than one year and not later than five years from the date of the grant of such option. Further, the options may be exercised within one year from the date of the grant of such options in accordance with ESOP Scheme 2018, as may be decided by the Board or a committee thereof, from time to time. As on the date of this Draft Red Herring Prospectus, no options have been granted, vested or exercised under ESOP Scheme 2018.

OBJECTS OF THE ISSUE

Requirement of Funds

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

Our Company intends to utilize the Net Proceeds towards the following objects:

1. Finance the establishment of new Company Operated Showrooms;
2. Funding working capital requirements of the Company; and
3. General corporate purposes.

The main objects and objects incidental and ancillary to the main objects set out in our Memorandum of Association enable us to undertake our existing business activities and the activities for which funds are being raised by us through the Issue.

In addition, our Company expects to achieve the benefit of listing of our Equity Shares on the Stock Exchanges.

Issue Proceeds

The details of the proceeds of the Issue are set out in the following table:

(*₹ in million*)

Particulars	Estimated amount[(1)]
Gross proceeds of the Issue	6,000.00
(Less) Issue related expenses	[●]
Net Proceeds	**[●]**

[(1)] *To be finalized on determination of the Issue Price.*

Utilization of Net Proceeds

The Net Proceeds are proposed to be used in the manner set out in the following table:

(*₹ in million*)

Particulars	Estimated amount
Finance the establishment of new Company Operated Showrooms	355.88
Funding working capital requirements of the Company	4,450.00
General corporate purposes[(1)]	[●]
Total	**[●]**

[(1)]*To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.*

Means of Finance

Our Company proposes to fund the requirements of the objects detailed above entirely from the Net Proceeds. 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 amount to be raised through the Issue.

Schedule of Implementation and Deployment of Funds

Our Company proposes to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below. As on the date of this Draft Red Herring Prospectus, our Company had not deployed any funds towards the objects of the Issue.

(*₹ in million*)

Particulars	Amount proposed to be funded from Net Proceeds	Schedule of Implementation[(1)]		
		Fiscal 2019	Fiscal 2020	Fiscal 2021
Finance the establishment of new Company Operated Showrooms	355.88	63.55	190.65	101.68
Funding working capital requirements of the Company	4,450.00	2,960.37	1,489.63	-
General corporate purposes[(1)]	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]

[(1)] *To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.*

To the extent our Company is unable to utilize any portion of the Net Proceeds towards the aforementioned objects of the Issue, as per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds in subsequent Fiscals towards the aforementioned objects.

The deployment of the Net Proceeds are based on internal management estimates as per our business plan approved by our Board and have not been verified by the BRLMs or appraised by any bank or financial institution or any other independent agency. In view of the competitive environment of the sector in which we operate, we may have to revise our business plan from time to time and consequently our capital and operational expenditure requirements may also change. We may have to revise our estimated costs, funding allocation, reschedule our proposed expenditures and fund requirements owing to factors such as financial and business conditions, finance costs, competition, and other external factors which may not be within our control. This may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of our management, subject to compliance with applicable law. Our historical capital and operational expenditure may not be reflective of our future expenditure plans. Subject to applicable law, if the actual utilisation towards any of the objects is lower than the proposed deployment such balance will be used for future growth opportunities including general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the gross proceeds from the Issue in accordance with the SEBI ICDR Regulations. For further details, see the "*Risk Factors – The Objects of the Issue for which funds are being raised, are based on our management estimates and the same have not been appraised by any bank or financial institution or any independent agency. The deployment of funds in the project is entirely at our discretion, based on the parameters as mentioned in the chapter titled "Objects of the Issue""* on page 31.

In case of variations in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals and any additional equity and/or debt arrangements. We believe that such alternate arrangements would be available to fund any such shortfalls.

Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In the event of any shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. For further details of factors that may affect these estimates, please see "*Risk Factors*" on page 20.

Details of the Objects

The details of the Objects of the Issue are set out below.

1. Finance the establishment of new Company Operated Showrooms

Our Company currently has 48 Company Operated Showrooms and 45 Franchise Showrooms. As a part of our strategy, we plan to foray into large or new cities by way of Company Operated Showrooms and then leverage our Franchise Showrooms to further penetrate into smaller tier-II and tier-III cities/ towns within such geographies, over Fiscals 2019, 2020 and 2021; and utilize the Net Proceeds from the Issue for this purpose. Our total store area, as on the date of this Draft Red Herring Prospectus, is approximately 255,284 sq. ft. We plan to add 40 new Company Operated Showrooms, from which we intend to open 28 new Company Operated Showrooms from the Net Proceeds of the Issue during the Fiscal Years 2019, 2020 and 2021 and towards this object, the Company intends to deploy an amount aggregating to ₹ 355.88 million.

The premises for the new Company Operated Showrooms will be taken on lease or on the basis of leave and licence agreements. Security deposits on such leased or licenced properties shall be paid from the internal accruals of the Company. Additionally, in certain cases, we may opt to purchase premises for the new Company Operated Showrooms. Such purchases shall be paid from internal accruals of the Company. The estimated cost of establishment of 28 showrooms is given in the table below:

Particulars	Number of new Company Operated Showrooms	Cost of establishment (in ₹ million)
		Capital expenditure(1)
New Company Operated Showrooms	28	355.88

(1) Capital expenditure towards establishment of a new Company Operated Showroom has been estimated at an average area of 3,000 sq. ft. per showroom. The details of the estimated capital expenditure to be incurred towards setting up of one new Company Operated Showroom has been set forth below in "—*Methodology for Computation of Cost Estimates*".

We plan to open 40 new Company Operated Showrooms during Fiscal 2019, 2010 and 2021 as set out in the table below.

Fiscal 2019	Fiscal 2020	Fiscal 2021	Total showrooms
Showrooms	**Showrooms**	**Showrooms**	
10(1)	15	15	40

(1) *Out of the proposed 10 Company Operated Showrooms to be opened in Fiscal 2019, the Company has already opened three Company Operated Showrooms with a cumulative store area of 11,050 sq. ft.*

The list of proposed locations are as follows:

State	Number of Company Operated Showrooms
West Bengal	8
UP	7
Gujarat	4
Bihar	3
Odisha	3
Punjab	3
Andhra Pradesh	2
Assam	2
Telangana	2
Delhi	1
Chandigarh	1
Chattisgarh	1
Madhya Pradesh	1
Maharashtra	1
Uttarakhand	1
Total	**40**

Note: *Out of the proposed 40 Company Operated Showrooms to be opened in Fiscal 2019, 2020 and 2021, the Company has already opened three Company Operated Showrooms, of which two are in West Bengal and one is in Telangana.*

The proposed locations and areas of our new Company Operated Showrooms are based on our business plan in line with our business strategy. As of date, we have neither entered into definitive agreements, nor executed any letters of intent for leasing such showrooms, since we typically enter into such arrangements only a few months prior to the actual establishment of the showrooms.

Methodology for Computation of Cost Estimates

The details of the capital expenditure towards establishment of a new Company Operated Showroom of an average area of 3,000 sq. ft. have been set forth in the table below. These cost estimates have been made on the basis of the quotations received from various suppliers/service providers and the management's past experience of setting up similar-sized showrooms.

Sr. No.	Name of the supplier providing quotation	Particulars	Cost (₹ in million)	Quotation Date
1.	Geetanjali Traders Private Limited	Tiles for floor and wall	0.37	June 22, 2018
2.	Nayak Facility Management, Kolkata	Labour works for tiles fixing	0.15	June 21, 2018
3.	Nayak Facility Management, Kolkata	Strong room/vault room (labour with material)	0.20	June 21, 2018
4.	Nayak Facility Management, Kolkata	Civil work (labour with material)	0.02	June 21, 2018
5.	Nayak Facility Management, Kolkata	Plumbing and sanitary work (labour with material)	0.03	June 21, 2018
6.	L.T. Elevator Private Limited, Kolkata	Lift (with installation)	0.90	May 22, 2018
7.	Computer Exchange Private Limited, Kolkata	IT materials	0.36	May 25, 2018
8.	Security Engineers Private Limited, Kolkata	CCTV and accessories	0.38	May 21, 2018
9.	Dey Electric, Kolkata	Electrical labour work	0.12	May 22, 2018
10.	Satco Traders Private Limited, Bangalore	Light	0.44	May 24, 2018
11.	Godawari Electric, Kolkata	Electrical wire, switches and accessories	0.24	May 28, 2018
12.	National Furniture, Kolkata	False ceiling and tray light	0.30	April 25, 2018
13.	Shivalika Decor, Kolkata	Carpentry material	1.13	April 26, 2018

Sr. No.	Name of the supplier providing quotation	Particulars	Cost (₹ in million)	Quotation Date
14.	National Furniture, Kolkata	Carpentry labour work	0.78	April 25, 2018
15.	S. Dey & Co, Kolkata	Paint and polish	1.07	April 25, 2018
16.	M/s Capital Neon Sign, Delhi	Sign board (cash counter and out board)	2.87	May 20, 2018
17.	Lords Steel, Kolkata	Staff chair	0.02	April 27, 2018
18.	Lords Steel, Kolkata	Cashier chair	0.01	April 27, 2018
19.	National Furniture, Kolkata	Customer chair	0.16	April 25, 2018
20.	National Furniture, Kolkata	Customer sofa	0.03	April 25, 2018
21.	Lords Steel, Kolkata	Almirah	0.02	April 27, 2018
22.	Lords Steel, Kolkata	Locker	0.02	April 27, 2018
23.	Sai Electronics, Kolkata	Gold rate board	0.02	April 26, 2018
24.	Ashlyn Chemunnoor Instruments Private Limited, Thrissur	XRF machine	0.62	April 27, 2018
25.	Dutta Engineers, Kolkata	Gold melting machine	0.09	May 24, 2018
26.	ACZET Private Limited, Kolkata	Weighing machine	0.17	May 23, 2018
27.	ACZET Private Limited, Kolkata	Ultrasonic machine	0.02	May 23, 2018
28.	RDS Solutions Private Limited, Kolkata	Note counting machine	0.07	April 25, 2018
29.	Mahindra & Mahindra Limited, Kolkata	DG set	0.40	May 25, 2018
30.	Safeage Security Products Private Limited, Mumbai	Vault door	0.16	April 26, 2018
31.	Refrigeration Trade Impex, Kolkata	Air conditioner (material)	0.78	April 26, 2018
32.	Refrigeration Trade Impex, Kolkata	Air conditioner (installation)	0.34	April 26, 2018
33.	Subham Electrical & Panels, Kolkata	Electrical panel	0.22	May 25, 2018
		Other miscellaneous items and expenses(1)	0.20	
		Total	**12.71**	

(1) These include products essential for the day-to-day functioning of the store such as water dispensers and purifiers and fire extinguishers. All these products will be purchased at prevailing market prices, and cost estimated at current market price.

(2) The above amounts are excluding GST. Different rates of GST are applicable in respect of different materials. Further, certain of the above quotations do not account for any additional charges towards transportation and installation, the cost of which, if any, will be borne from the internal accruals of the Company.

The cost of establishment of a Company Operated Showroom includes the capital expenditure towards the establishment of a store and the advance to be paid as deposit to the lessor/licensor. Payments towards security deposit for acquiring the properties on lease or leave and license arrangement for running the new Company Operated Showrooms may vary based on various factors including location, city and the area of the showrooms. Typically, firm arrangements for establishing showrooms are entered into only a few months before actual store launch. Accordingly, such security deposits will be paid from internal accruals of the Company.

2. Funding working capital requirements of the Company

Our Company proposes to utilise ₹4,450.00 million from the Net Proceeds to fund working capital requirements of our Company. Our business is working capital intensive and we fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals and financing from various banks. As at March 31, 2018, our sanctioned consortium facilities comprised ₹5,500 million from various banks and ₹5,930 million (outside consortium) for gold metal loan from bullion banks and other short-term facilities of ₹300 million and as at March 31, 2018, our total outstanding debt (includes long term borrowings, current maturities of long term borrowing included under other Financial Liability and short term borrowing) was ₹5,837.94 million and as at June 15, 2018, our total outstanding debt (includes long term borrowings, current maturities of long term borrowing and short term borrowing) was ₹5,169.83 million (including gold metal loans of 989 kilograms amounting approximately to ₹2,959.42 million). For further information, see "*Financial Indebtedness*" and "*Financial Statements*" on page 436 and 189.

Our Company requires additional working capital primarily for financing the inventory in the new Company Operated Showrooms that it is proposing to set up.

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

The details of the Company's working capital requirements as at March 31, 2018 and March 2017 and funding of the same are as set out in the table below:

(₹ in million)

Particulars	**For the period ending March 31 2018**	**For the period ending March 31 2017**
Current Assets		
Inventories	8,368.31	5,979.39
Trade receivables	402.62	663.88
Cash and cash equivalents	730.86	428.33
Bank balances other than above	660.37	229.43
Loans	38.53	39.77
Derivatives	-	7.95
Other financial assets	21.27	12.42
Other current assets	162.94	92.70
Assets held for sale	-	8.06
Total Current Assets (A)	**10,384.90**	**7,461.92**
Current Liabilities		
Trade payables	609.00	387.36
Derivatives	174.78	-
Other financial liabilities	48.04	42.73
Other current liabilities	815.06	518.62
Provisions	1.85	49.97
Current tax liabilities (net)	185.87	53.95
Total Current Liabilities (B)	**1,834.59**	**1,052.63**
Total Working Capital Requirement (A-B)	**8,550.31**	**6,409.28**
Funding Pattern		
Working capital funding from banks	5,808.10	4,382.96
Internal accruals	2,742.21	2,026.32

On the basis of our existing working capital requirements and the incremental working capital requirements, the details of the Company's expected working capital requirements as at March 31, 2019 and March 31, 2020 and funding of the same are as set out in the table below:

(₹ in million)

Particulars	**For the period ending March 31 2020**	**For the period ending March 31 2019**
Current Assets		
Inventories	15,005.77	11,051.47
Trade receivables	457.00	432.00
Cash and cash equivalents	599.11	599.11
Bank balances other than above	720.00	720.00
Loans	263.00	205.00
Other current assets	35.00	27.00
Total Current Assets (A)	**17,079.88**	**13,034.58**
Current Liabilities		
Trade payables	980.00	767.00
Other current liabilities	1,276.00	983.00
Provisions	105.00	82.00
Total Current Liabilities (B)	**2,361.00**	**1,832.00**
Total Working Capital Requirement (A-B)	**14,718.88**	**11,202.58**
Funding Pattern		

Particulars	For the period ending March 31 2020	For the period ending March 31 2019
Working capital funding from banks	5,500.00	5,500.00
Internal accruals	4,768.88*	2,742.21
Issue proceeds	4,450.00*	2,960.37

**Cumulative amount of 2 years*

Holding levels

Provided below are details of the holding levels (days) considered.

Particulars	No of days			
	For the period ending March 31, 2020	For the period ending March 31, 2019	For the period ending March 31, 2018	For the period ending March 31, 2017
Inventories	184	173	161	139
Trade receivables	5	6	7	13
Cash, cash equivalents and bank balance	14	18	23	13
Loans	4	4	4	4
Derivatives				
Other financial assets				
Other current assets				
Assets held for sale				

Particulars	No of days			
	For the period ending March 31 2020	For the period ending March 31 2019	For the period ending March 31 2018	For the period ending March 31 2017
Trade payables	13	13	12	9
Derivatives	15	15	21	14
Other financial liabilities				
Other current liabilities				
Provisions				
Current tax liabilities (net)				

Justification for holding period levels

Particulars	Details
Inventories	Inventory days are computed from the historic Restated Standalone Financial Information and are expected to increase on account of opening of new stores and for the growth in existing operations
Trade receivables	Receivables days are computed from the historic Restated Standalone Financial Information and are expected to continue on similar lines with efficient collections
Cash & cash equivalents and Bank balances	Cash & cash equivalents and Bank balances days are computed from the historic Restated Standalone Financial Information and are expected to continue on similar lines
Other CAs	Other CAs are expected to grow in line with expected business growth. Holding levels for Other CAs is computed from the historic Restated Standalone Financial Information and is expected to continue on similar lines
Trade payables	Trade payables is expected to grow in line with expected business growth. Holding levels for trade payables is computed from the historic Restated Standalone Financial Information and is expected to continue on similar lines
Other CLs	Other CLs are expected to grow in line with expected business growth. Holding levels for Other CLs is computed from the historic Restated Standalone Financial Information and is expected to continue on similar lines

JHS & Associates LLP have, by a certificate dated August 20, 2018, certified the working capital requirements of our Company.

3. General Corporate Purposes

Our Company proposes to deploy the balance of the Net Proceeds aggregating ₹[●] million towards general corporate purposes and subject to such utilization not exceeding 25% of the Issue Proceeds, in compliance with the SEBI ICDR Regulations, for general corporate purposes, as may be approved by our management, including but not limited to the following:

(a) strategic initiatives and acquisitions;
(b) brand building and strengthening of our marketing capabilities; and
(c) meeting expenses and exigencies which our Company may face in the ordinary course of business.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board based on the permissible amount actually available under the head 'General Corporate Purposes' and the business requirements of our Company, from time to time.

Issue Related Expenses

The total expenses of the Issue are estimated to be approximately ₹[●] million. The expenses of this Issue include, among others, fees payable to the BRLMs, selling commissions, legal fees, fees to the Registrar to the Issue, including processing fee to the SCSBs for processing ASBA forms submitted by the ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commissions payable to the Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertisements and publicity expenses and listing fees.

The estimated Issue expenses are set forth below:

Item	Estimated expenses (₹ in million) (1)	As a % of the total estimated Issue expenses(1)	As a % of the total Issue size(1)
BRLMs fees and commission (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Brokerage and selling commission for Registered Brokers(2), RTAs and CDPs (3)	[●]	[●]	[●]
Commission/processing fee for SCSBs(4)	[●]	[●]	[●]
Fees payable to the Registrar to the Issue	[●]	[●]	[●]
Fees payable to other advisors to the Issue	[●]	[●]	[●]
Others			
- Listing fees, SEBI filing fees, book building software fees	[●]	[●]	[●]
- Printing and stationary	[●]	[●]	[●]
- Advertising and marketing expenses	[●]	[●]	[●]
- Fees paid to monitoring agency	[●]	[●]	[●]
- Miscellaneous	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

(1) *Will be incorporated at the time of filing of the Prospectus.*
(2) *Registered Brokers will be entitled to a commission of ₹ [●] per every valid Bid cum Application Form submitted to them and uploaded on the electronic bidding system of the Stock Exchanges.*
(3) *RTAs and the CDPs will be entitled to a commission of [●]% of [●].*
(4) *The SCSBs would be entitled to a processing fee of ₹ [●] per Bid cum Application Form, for processing the Bid cum Application Forms procured by the members of the Syndicate, Sub-Syndicate/ Agents, CDPs, RTAs or the Registered Brokers and submitted to the SCSBs.*

Our Company will bear all costs, charges, fees and expenses associated with and incurred in connection with this Issue.

Interim Use of Net Proceeds

Pending utilization for the purposes described above, we intend to temporarily invest the funds from the Net Proceeds only in scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company shall not use the Net Proceeds for any investment in any equity or equity linked securities.

Our Company confirms that it shall not use Net Proceeds of the Issue for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Bridge Financing Facilities

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

Monitoring of Utilization of Funds

The Company has appointed [●] as the Monitoring Agency in relation to the Issue in accordance with Regulation 16 of the SEBI ICDR Regulations. The Audit Committee and the Monitoring Agency will monitor the utilisation of the Net Proceeds. Our Company will disclose the utilisation of Net Proceeds under separate head in our balance sheet along with relevant details for all sum amounts that have not been utilised. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant Fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to the Listing Regulations, our Company shall disclose to the Audit Committee of our Board, the uses and applications of the Net Proceeds, on a quarterly basis. Our Company shall on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee of our Board, as required under applicable law. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditors of our Company.

Furthermore, in accordance with the Regulation 32(1) of the Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the Net Proceeds as stated above; and (ii) details of category wise variations in the actual utilisation of the Net Proceeds from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, and explanation for such variation (if any) will be included in our Directors' report, after placing the same before the Audit Committee of our Board.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act 2013, our Company shall not vary the objects of the Issue without our Company being authorized 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 and be published in accordance with the Companies Act 2013. Pursuant to the Companies Act 2013, our Promoters will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the objects of the Issue subject to and in accordance with the provisions of the Companies Act 2013 and rules issued thereunder, including in respect of pricing of the Equity Shares, and in accordance with the provisions of Chapter VI A of the SEBI ICDR Regulations.

Other Confirmations

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

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares, offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should also refer to "*Our Business*", "*Risk Factors*" and "*Financial Statements*" on pages 130, 20 and 189, respectively, to have an informed view before making an investment decision.

QUALITATIVE FACTORS

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

1. Long history and a strong brand name
2. We are the largest organized jewellery retail player in the eastern region of India based on number of stores (Source: CRISIL Report) with an expanding national footprint
3. Strong 'Company Operated Showroom' base complemented by an established asset-light 'franchise' model leading to operating leverage
4. Differentiated focus on light, affordable jewellery with the intention to cater to the middle class and younger generation
5. Established Systems and Procedures
6. Experience of our Promoters and strong management

For details, see "*Our Business – Competitive Strengths*" and "*Risk Factors*" on page 131 and 20, respectively.

QUANTITATIVE FACTORS

The information presented below relating to our Company is based on the Restated Standalone Financial Information. For details, see "*Financial Statements*" on page 189.

Information presented in this chapter (unless the context requires otherwise) is derived from the Restated Financial Statements of our Company prepared in accordance with requirements of the Companies Act and restated in accordance with the SEBI ICDR Regulations.

The Board of Directors at its meeting held on March 3, 2018 had recommended issue of bonus shares, subject to the approval of shareholders in their general meeting, in the ratio of two Equity Shares for every one Equity Share and two CCPS for every one CCPS as held by the shareholders as on the record date. The issue of bonus shares was approved by the shareholders of the Company in the extra ordinary general meeting held on March 28, 2018 and accordingly, the Company has allotted 35,457,408 Equity Shares and 8,864,102 CCPS on 6 May 2018 to their shareholders. The accounting ratios shown below have taken into account the impact of the bonus issue.

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

(a) Basic and Diluted Earnings Per Share ("EPS"):

As per Restated Standalone Financial Information:

Financial Year ended			
	Basic EPS (₹)	**Diluted EPS (₹)**	**Weight**
March 31, 2016	2.81	2.33	1
March 31, 2017	7.11	5.89	2
March 31, 2018	13.69	10.95	3
Weighted Average	**9.68**	**7.83**	

Note:

(1) Earning per shares (EPS) calculation is in accordance with Indian Accounting Standard (Ind AS) 33 "Earnings per share" prescribed by The Companies (Indian Accounting Standards) Rules, 2015.

(2) As per Ind AS 33 - Earnings Per Share, if the number of ordinary or potential ordinary shares outstanding increases as a result of bonus issue, the calculation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively. If these changes occur after the reporting period but before the financial statements are approved for issue, the per share calculations for those and any prior period financial statements presented shall be based on the new number of shares

(3) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year / Total of weights

(4) The face value of each equity share was ₹10 for Fiscals 2016, 2017 and 2018.

(5) *The ratios have been computed as below:*
  a) *Basic earnings per share = Restated net profit attributable to equity shareholders for the year / weighted average number of shares outstanding during the year;*
  b) *Diluted earnings per share = Restated net profit attributable to equity shareholders / weighted average number of diluted shares outstanding during the year*

(6) *Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the Financial Year, adjusted by the number of Equity Shares issued during the Financial Year multiplied by the time-weighting factor. The timeweighting factor is the number of days for which the specific shares are outstanding as a proportion of the total number of days during the Financial Year*

(7) *The above statement should be read with Significant Accounting Policies and the Notes to the Restated Standalone Financial Information.*

(b) *Price / Earning ("P / E") ratio in relation to Price Band of ₹[●] to ₹[●] per Equity Share*:

Particulars	P / E at the Floor Price (no. of times)	P / E at the Cap Price (no. of times)
Based on basic EPS as per the Restated Standalone Financial Information for the year ended March 31, 2018	[●]	[●]
Based on diluted EPS as per the Restated Standalone Financial Information for the year ended March 31, 2018	[●]	[●]

(c) *Industry Peer Group P / E ratio*

Particulars	P/E ratio
Highest	69.50
Lowest	24.64
Average	47.07

** The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section below.*

(d) *Return on Net Worth ("RoNW")*

As per Restated Standalone Financial Information:

Financial Year ended	RoNW (%)	Weight
March 31, 2016	5.29%	1
March 31, 2017	12.03%	2
March 31, 2018	18.28%	3
Weighted Average	14.03%	

Note:

1. *Return on net worth (%) = Profit for the year/ net worth as at the end of year*
2. *Net worth represents sum of Equity share capital, instruments entirely equity in nature and other equity (including Securities premium, General reserve, Special economic re-investment reserve and Retained earnings).*
3. *Weighted average RoNW is aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. ((RONW x weight) for each year)/(total of weights)*

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

Particulars	Floor Price	Cap Price
To maintain pre-Issue basic EPS		
As per Restated Standalone Financial Information	[●]%	[●]%
To maintain pre-Issue diluted EPS		
As per Restated Standalone Financial Information	[●]%	[●]%

(f) *Net Asset Value ("NAV") per Equity Share of face value of ₹10 each*

Financial year ended	Restated Standalone Financial Information (₹)
As on March 31, 2018	74.88
Issue Price	[●]
After the Issue	
At the Floor Price	[●]
At the Cap Price	[●]

Note:

1. *Net asset value = Net Worth, as restated at the end of the period / Number of equity shares outstanding at the end of the period*
2. *Issue Price per Equity Share will be determined on conclusion of the Book Building Process*

(g) Comparison with Listed Industry Peers

Following is the comparison with our peer group companies listed in India and in the same line of business as our Company:

Sr. No.	Name of the Company	Face Value (₹)	Revenue from operations (₹ in million)(1)	Basic EPS (₹)(2)	P/E(3)	RoNW(4) (%)	NAV(5) (₹ per share)
	Senco Gold Limited#	10	22,140.14	13.69	[●]	18.28%	74.88
	Peer Group##						
1	Titan Company Limited	1	156,559	13.10	69.50	22.39%	58.50
2	Tribhovandas Bhimji Zaveri Limited	10	17,557	3.16	24.64	4.33%	72.93
	Industry Composite6				**47.07**		

#Based on the Restated Standalone Financial Information for the year ended March 31, 2018

##Based on standalone financials from the filings/annual reports made by the respective companies for Fiscal 2018 on BSE/corporate websites

(1) Income from operations (net) as reported in company filings, excluding other income
(2) Basic EPS as reported in company filings
(3) Price earnings ratio calculated by dividing the closing price of equity shares of the company as on July 31, 2018 on BSE, by the basic EPS of the company for Fiscal 2018
(4) RoNW has been computed as Net profit after tax for Fiscal 2018 divided by the net worth as at March 31, 2018
(5) Net asset value (NAV) per equity share has been computed as net worth as at March 31, 2018 divided by the total number of equity shares outstanding as at March 31, 2018 sourced from www.bseindia.com.
(6) The industry composite has been calculated as the arithmetic average of the industry peer set disclosed above

(h) The Issue Price will be [●] times of the face value of the Equity Shares

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

Investors should read the above mentioned information along with "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" on pages 20, 130, 404 and 189, respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in "*Risk Factors*" and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE SPECIAL INCOME TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

The Board of Directors
Senco Gold Limited
Diamond Prestige,
10th Floor,
41A, A.J.C. Bose Road,
Kolkata – 700017

Date: 20 August 2018

Dear Sirs,

Independent Auditors' Certificate on the Statement of possible special Income Tax benefits ("the Statement") available to Senco Gold Limited ("the Company") and its Shareholders under the applicable Income Tax laws in India prepared in accordance with the requirement 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 report that the enclosed Statement prepared by the Company, states the possible special Income Tax benefits available to the Company and its shareholders under the Income-tax Act, 1961 ('the Act'), presently in force in India.

Based on the information, explanation and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company, we are of the opinion that the enclosed Statement prepared by the Company, initialed by us and the Company for identification purpose, states the possible special Income Tax benefits available to the Company and to its shareholders under the Act and Income tax Rules, 1962 including amendments made by Finance Act 2018 (together "the Tax Laws"), presently in force in India as on the date of signing this report. These possible special Income Tax 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 these possible special Income Tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company or its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure cover only special Income Tax benefits available and do not cover any general tax benefits available to the Company and to its shareholders. Further, the preparation of the enclosed Statement and its contents is the responsibility of the Management of the Company. We were informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed offering of equity shares of the Company (the "Proposed Offer") particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special Income Tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on the Statement.

We have performed our procedures in accordance with the "Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)" ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements.

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

a) the Company or its shareholders will continue to obtain these possible special Income Tax benefits in future; or

b) the conditions prescribed for availing the possible special Income Tax benefits, where applicable, have been/would be met with.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.

This certificate is not intended for general circulation or publication and is not to be reproduced or used for any other purpose without our prior consent in writing. We, however, hereby give consent to this certificate or the extracts of this certificate being used in the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus proposed to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), the stock exchanges where the Equity Shares of the Company are proposed to be listed (the "Stock Exchanges") and the relevant Registrar of Companies in India (the "ROC") and submission of this certificate to the SEBI, the Stock Exchanges or the ROC in connection with this Proposed Offer, as the case may be.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership No. 055757

Place: Kolkata
Date: 20 August 2018

THE STATEMENT OF POSSIBLE SPECIAL INCOME TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Outlined below are the possible special Income Tax benefits available to the Company and its shareholders under the tax laws in force in India (i.e. applicable for the financial year 2018-19 relevant to the assessment year 2019-20). These possible special tax benefits are dependent of the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the possible tax benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfill.

I. Possible Income Tax benefits available to the Company under the Income-tax Act, 1961

Special Income Tax benefits available to the Company

As per the provisions of Section 10AA of the Act, the Company is eligible to claim deduction in respect of the profits derived from export of articles/ things/ services from its units set up in Special Economic Zone. Considering that it started to manufacture or produce articles or things or provide any services during the previous year relevant to any assessment year commencing on or after 1 April 2007, the deduction is available to the extent of 100% of eligible profits for the initial 5 years followed by 50% of the eligible profits for the next 5 years. Further, a deduction to the extent of 50% of the eligible profits is available where the Company credits a corresponding amount to a 'Special Economic Zone Re-investment Reserve Account' to be utilized in the specified manner. The benefit is available subject to fulfillment of prescribed conditions. The Company has been claiming deduction under this section and AY 2017-18 is the 10th Assessment Year for claim of deduction under section 10AA of the Act.

However, such profits derived by the Company are not eligible to be excluded in the computation of 'Book Profits' under Minimum Alternative Tax ('MAT'). Nonetheless, such MAT paid on the book profits of the Company computed in terms of the provisions of Act, read with the Companies Act, 2013 would be eligible for credit against tax liability arising under normal provisions of Act.

Further, such credit would not be allowed to be carried forward and set off beyond 15 assessment years immediately succeeding the assessment year in which such credit becomes allowable.

II. Special income-tax benefits to shareholders of the Company

There are no special tax benefits available to the shareholders of the Company under the tax laws.

Notes:

1 *The above statement is as per the current tax law as amended by the Finance Act, 2018.*

2 *The possible special Income Tax benefits are subject to conditions and eligibility criteria which need to be examined for tax implications.*

3 *The above statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of Equity Shares.*

4 *The above statement does not discuss any tax consequences in the country outside India of an investment in the Equity Shares. The subscribers of the Equity Shares in the country other than India are urged to consult their own professional advisers regarding possible income-tax consequences that apply to them.*

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

*Industry and market data used in this section has been extracted from the CRISIL Report. For further details and risks in relation to commissioned reports, see "Risk Factors - This Draft Red Herring Prospectus contains information from industry sources including the industry report commissioned from CRISIL Limited. Prospective investors are advised not to place undue reliance on such information." beginning on page 39. The information in this section has been obtained or derived from the report titled "CRISIL Research – Assessment of the gems and jewellery industry in India released in Mumbai in May 2018", prepared by CRISIL Research, a division of CRISIL Limited ("**CRISIL**" or "**CRISIL Research**" and such report, the "**CRISIL Report**"). All information contained in the CRISIL Report has been obtained by CRISIL from sources believed by it to be accurate and reliable. CRISIL obtains information for its analysis from sources it considers reliable, but does not guarantee the accuracy or completeness of its analysis or any information contained in the CRISIL Report. Further, the CRISIL Report was prepared on the basis of information as of specific dates which may no longer be current or reflect current trends, and opinions in the CRISIL Report may be based on estimates, projections, forecasts and assumptions that may prove to be incorrect. CRISIL has confirmed that certain third-party information used or cited in the CRISIL Report has been obtained from publicly available information and acknowledgements of sources have been given wherever necessary in the CRISIL Report. In other cases, CRISIL has obtained specific consent from the persons/companies having intellectual rights in the information for use of such information in the CRISIL Report. CRISIL and its affiliates make no representation or warranty, either express or implied, with respect to the information or analysis from the CRISIL Report, including without limitation the implied warranties of fitness for a particular purpose and merchantability and CRISIL specifically disclaims any such warranty. The CRISIL Report is not a comprehensive evaluation of the industry, the Company or the Equity Shares and all material within the CRISIL Report should be deemed as expressions of opinion which are subject to change without notice.*

Key economies post above-trend growth in CY2017

The global growth engine has been revving up for the past two years supported by benign inflation. The US, euro zone and Japan posted above-trend growth of 2.7%, 2.3% and 1.7%, respectively, in calendar year (CY) 2017. China, the world's second largest economy, grew a robust 6.9%. The International Monetary Fund (IMF) estimates global growth at 3.7% in CY2018 as major advanced economies continue to grow.

Economic activity gained impetus in advanced economies during the second half of CY2016. Growth was strong in the US owing to increasing confidence of companies in demand outlook. Even after the Brexit referendum in June 2016, growth remained robust in the UK. Healthy domestic demand led to stable growth in euro zone countries such as Germany.

Economic activity across emerging and developing markets remained mixed. Growth in China was strong, supported by policy. However, economic activity slowed in India on account of lingering impact of demonetisation and short-term economic disruptions caused by the implementation of the Goods & Services Tax (GST). Even Brazil found itself in a recessionary environment. Geopolitical factors stunted growth in the Middle East and Turkey.

Table: Real GDP growth (y-o-y, %)

	CY2012	CY2013	CY2014	CY2015	CY2016	CY2017	CY2018E
World	3.5	3.5	3.6	3.4	3.2	3.6	3.7
Advanced economies	1.2	1.3	2.1	2.2	1.7	2.2	2.0
Emerging market and developing economies	5.4	5.1	4.7	4.3	4.3	4.6	4.9
United States	2.2	1.7	2.6	2.9	1.5	2.2	2.3
United Kingdom	1.3	1.9	3.1	2.2	1.8	1.7	1.5
Germany	0.7	0.6	1.9	1.5	1.9	2	1.8
Japan	1.5	2	0.3	1.1	1	1.5	0.7
China	7.9	7.8	7.3	6.9	6.7	6.8	6.5

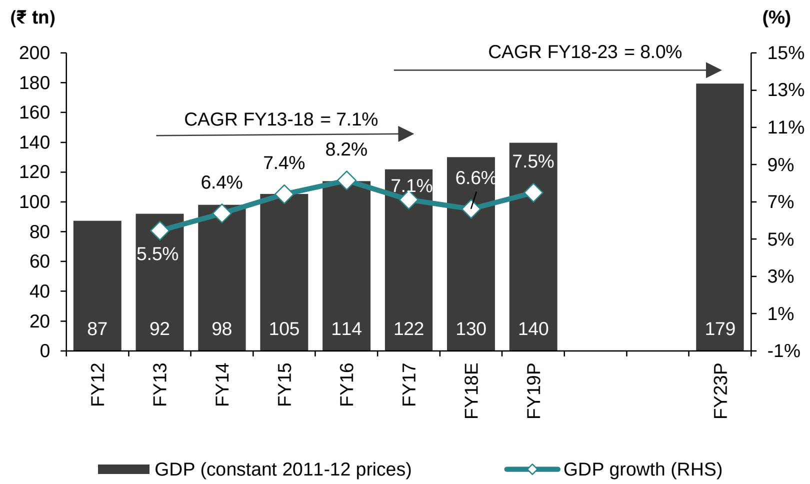
(*Source: IMF*)

Review and outlook of GDP growth in India

GDP to grow at a faster pace over the next five years

Consumption and investment constitute the growth engine of any economy. In recent years, India's growth has been firing on the consumption cylinder, while the investment front has been muted. GDP at constant FY12 prices expanded at 7.1% compound annual growth rate (CAGR) between FY13 and FY18. It grew at a slower pace between FY12 and FY14 because of sluggish income growth, persistently rising inflation, and high interest rates. Industrial output too had weakened. Post FY14, growth recovered with improving industrial activity, lower crude oil prices, and supportive policies. However, that was clipped in FY17, owing to demonetisation, dwindling private investment, and slowing global growth.

Figure: Real GDP growth in India (new GDP series)



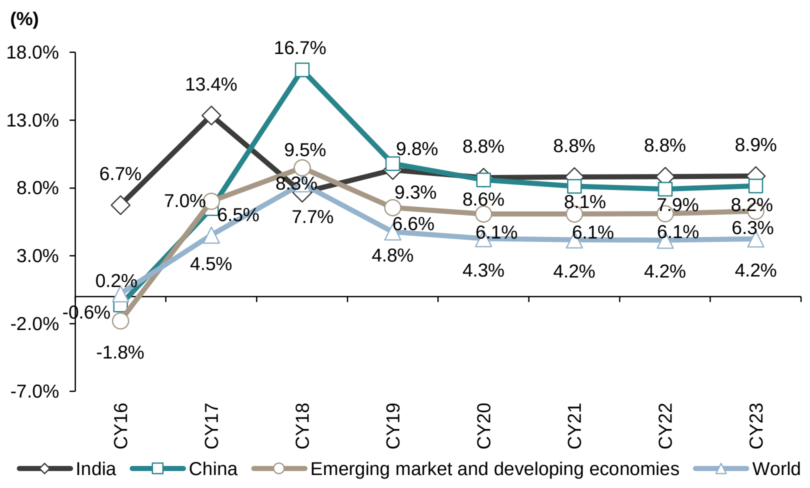
Note: P-Projected

(*Source: CSO (Central Statistical Organisation), CRISIL Research, IMF*)

India's GDP growth to outperform Asian and global peers

According to data from the IMF, India is expected to grow at a significantly faster rate compared with other emerging and developing economies and world.

Figure: Growth projection of GDP per capita for different countries/country sets (current price basis)

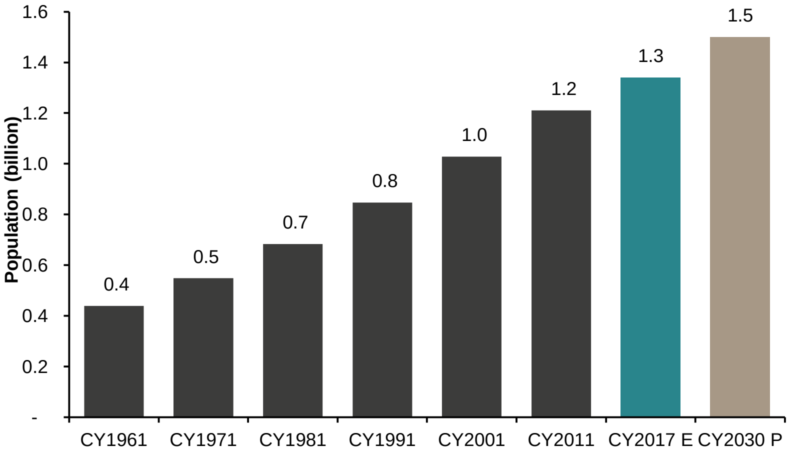


(*Source: IMF*)

India to become the most populous country with urbanisation likely to cross 35% by CY2020

As per the Census 2011, India's total population was about 1.2 billion and comprised nearly 246 million households. Population grew at a CAGR of 1.8% during CY2001-CY2011. According to the results of 'The 2017 Revision of the World Population Prospects' by the United Nations population estimates and projections, India (2nd to China) along with China remain the two most populous countries of the world. The report further projects India's population to grow at a CAGR of 1.2% by CY2030 (1.5 billion by CY2030) to become the world's most populous country surpassing China (1.4 billion in CY2030).

Figure: India's population growth

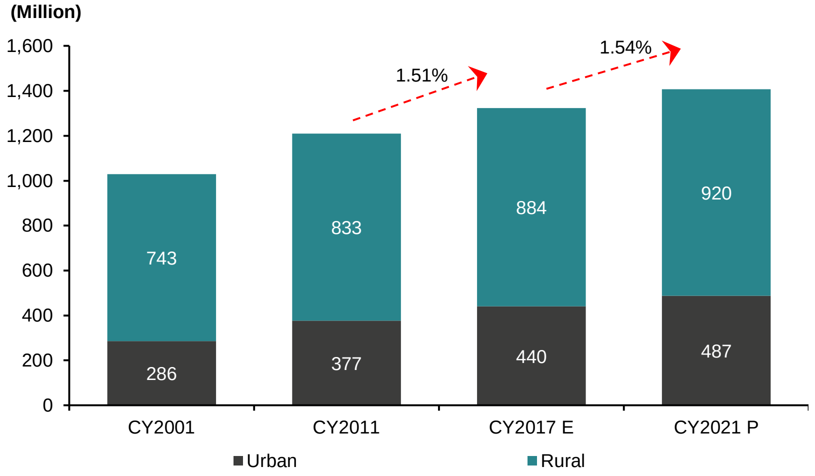


P: Projected

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

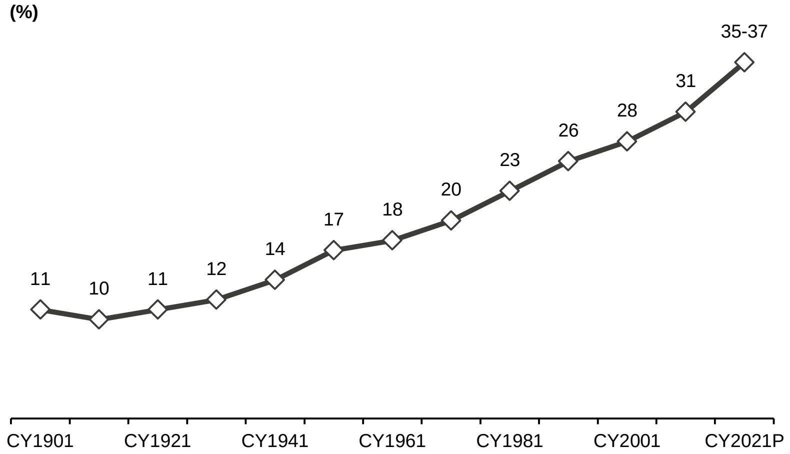
The share of urban population in relation to the total population has been consistently rising over the years and stood at about 31% in CY2011. People from rural areas move to cities for better job opportunities, education, better life, etc. Entire families or only a few people (generally earning member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

Figure: Population growth



(*Source: Census, CRISIL Research*)

Figure: Urban population as a percentage of total population

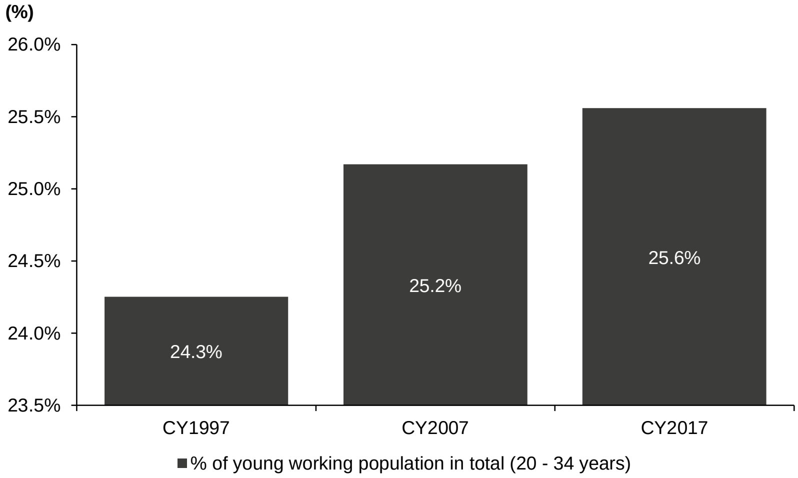


P: Projected

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

Also, the share of potential young workers (20-34 years) in total population has been rising over the years and was 25.6% in CY2017.

Figure: Population in age bracket 20-34 years (potentially young working population) as a percentage of total population



(*Source: United Nations, Department of Economic and Social Affairs, Population Division (2017). World Population Prospects: The 2017 Revision, custom data acquired via website; CRISIL Research*)

Overview of the global gems and jewellery industry

Global gold demand contracted 7% in CY2017

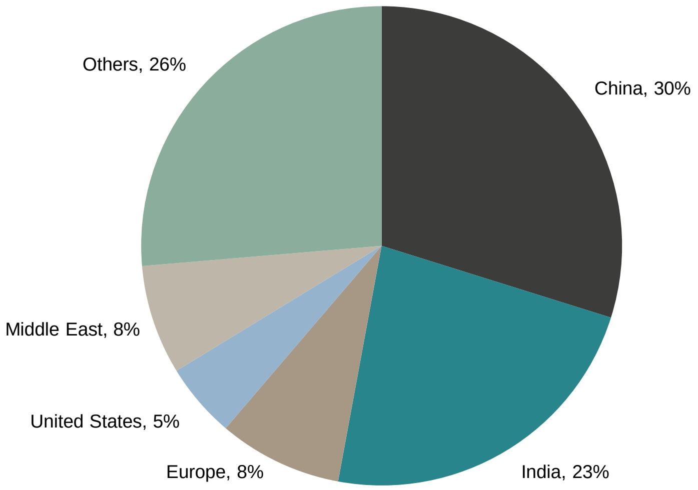
According to the World Gold Council (WGC) report on gold demand trends 2017, global gold demand fell ~6% to 4,109 tonnes in 2017. Leading the decline was significantly lower exchange traded fund (ETF) inflows (203 tonnes in CY2017 compared with 547 tonnes in CY2016), followed by lower additions to official gold reserves by central banks (374 tonnes in CY2017 against 390 tonnes in CY2016). Investment in bars and coins also contracted marginally (1,039 tonnes in CY2017 vis-à-vis 1,068 tonnes during CY2016), mainly on account of lower US retail investment. On the positive side, demand for jewellery grew 5% (2,160 tonnes in CY2017 vis-à-vis 2,059 tonnes in CY2016), mainly on account of pick-up in demand in India and China. Industrial use of gold increased slightly in CY2017, which was significant since it represented the first positive trend since CY2010.

Table: Category-wise gold demand trends

(in tonnes)	CY2012	CY2013	CY2014	CY2015	CY2016	CY2017
Jewellery	2,139	2,702	2,502	2,419	2,059	2,160
Investment – bars and coins	1,309	1,726	1,062	1,086	1,068	1,039
Investment – ETF	306	-912	-184	-125	547	203
Industrial – dentistry etc.	381	356	349	332	323	333
Central banks	569	624	584	577	390	374
Total world demand for gold	**4,705**	**4,496**	**4,312**	**4,289**	**4,388**	**4,109**

(*Source: WGC demand trends 2017*)

Figure: Region-wise share of gold consumption (includes jewellery and bars & coins) in CY2017 based on volume



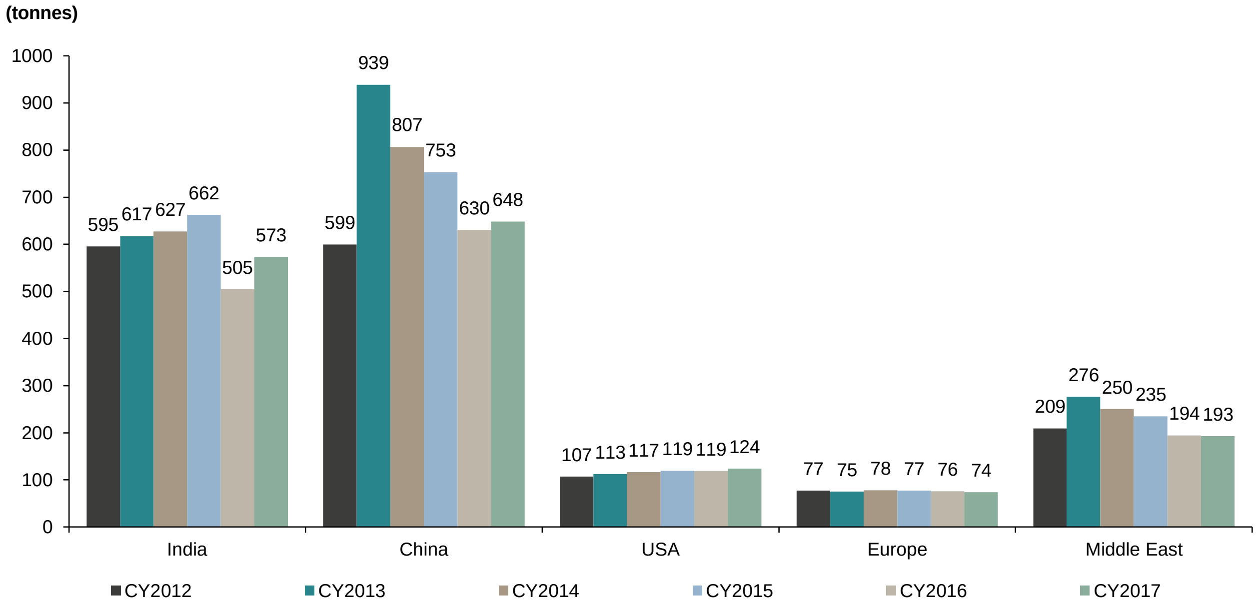
Note: The Middle East includes Saudi Arabia, UAE, Kuwait, Egypt, Iran and others. Europe includes France, Germany, Italy, Spain, United Kingdom, Switzerland, Austria and others

(*Source: WGC demand trends 2017*)

India retains its position as the 2nd largest consumer of gold jewellery in CY2017

In CY2017, China consumed 648 tonnes of gold jewellery, thereby occupying the pole position in global gold consumption, followed by India in the second place at 573 tonnes. Other key regions included the Middle East (193 tonnes), the US (124 tonnes), and Europe (74 tonnes). These key regions continue to account for around 3/4th of the global gold jewellery consumption by volume. Global gold jewellery consumption in CY2017 increased ~5% on-year, primarily driven by India, the US and China. Indian jewellery demand improved ~14% on-year owing to factors such as lower rupee gold prices, festive demand (Dhanteras followed by the wedding season) and the government's decision to roll back Prevention of Money Laundering Act (PMLA), which placed compliance burden on retailers and consumers, and restricted cash transactions beyond ₹50,000 without know your customer (KYC) details. China's demand for jewellery grew ~3% in CY2017, supported by holiday purchases and growing momentum for light-weight, better designed, higher-margin 'premium' gold jewellery products. Annual jewellery demand in the US improved ~4% to 124 tonnes in CY2017, mainly on account of improving economic environment which uplifted sentiment as well as demand.

Figure: Region-wise trends in jewellery demand – volume terms



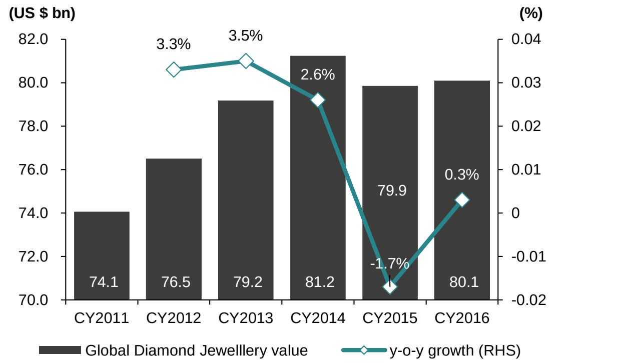
Note: The Middle East includes Saudi Arabia, UAE, Kuwait, Egypt, Iran and others.

Europe includes France, Germany, Italy, Spain, United Kingdom, Switzerland, Austria and others
(*Source: WGC demand trends 2017*)

Global diamond jewellery demand up 0.3% led by growth in the US

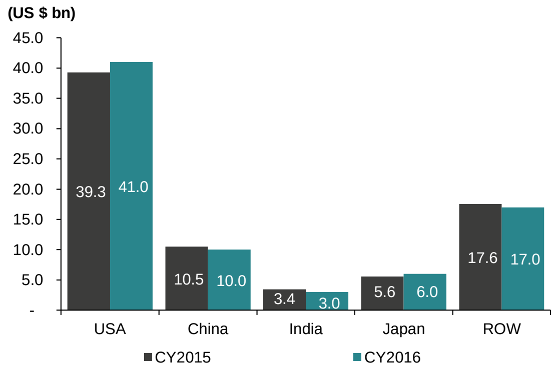
Demand for diamond jewellery increased to $80 billion in CY2016 led by growth in the US, which commands half of global demand. Demand in the US witnessed strong growth owing to a stable macro environment, improved consumer confidence led by job creation, and increase in wages. Demand in China declined in US dollar terms owing to currency movements. The Gulf region posted a decline in demand led by declining economic growth and weakness in oil prices. India also saw a decline in diamond jewellery consumption owing to demonetisation and jewellers' strike in 2016.

Figure: Demand marginally up 0.3% driven by growth in the US



(*Source: De Beers Diamond Insight report*)

Figure: The US boasts half the demand for diamond jewellery



(*Source: De Beers Diamond Insight report*)

Key trends in the global gems and jewellery market

Asian countries have emerged as the largest consumers of gold

The Asian countries, mainly China and India, are the largest consumers of gold globally. These two countries together account for >50% of the total gold demand. China has also emerged as the largest producer of gold, and has gained a much more influential position in the global gold market by investing across the value chain right from refining to fabrication.

Non-bank entities emerging as prominent players in the gold market

Historically playing a dominant role, banks in recent years have either exited or retracted their presence in the gold market due to capital constraints and other considerations. This has paved the way for non-banking entities – such as hedge funds, high frequency trading firms, algorithmic traders, and retail investors - to emerge as prominent players providing liquidity and influencing price discovery.

Revival in global economic growth

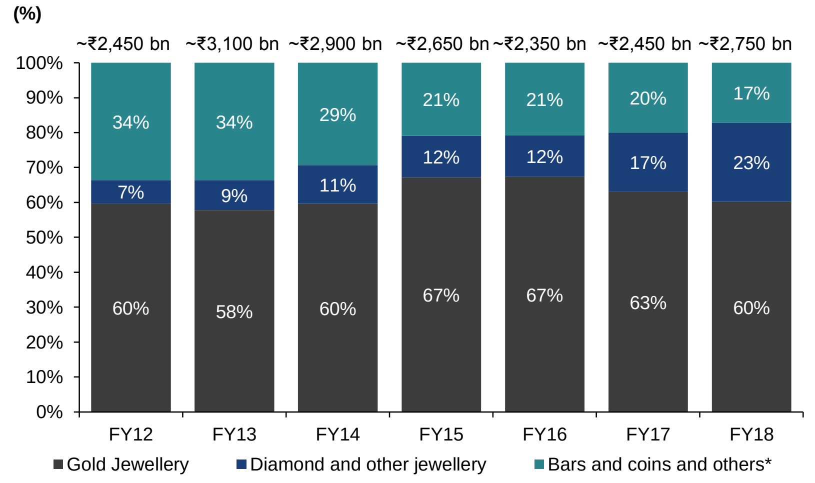
Global economic growth appears to be on the path of sustained recovery, led by the advanced economies such as the US and Europe. World economic growth increased in CY2017, and is expected to remain on track in CY2018 as well. The US and European economies have grown and unemployment dipped. China and India, the largest consumers of gold, are also expected to register steady economic growth in the near future. Improving economic growth augurs well for consumption and investment demand for gold.

Overview of the Indian gems and jewellery industry

Domestic gems and jewellery market is estimated at ₹2,750 billion as of FY17-18

The domestic gems and jewellery market is estimated at ₹2,750 billion in FY17-18. Gold and diamond-studded jewellery account for ~83% share, whereas bars and coins make up ~17%. Domestic jewellery demand has historically been dominated by gold. In FY18, the share of gold jewellery is estimated at ~60%. Consumption of jewellery studded with diamond, pearls and other precious and semi-precious stones, has also been rising. This could be attributed to changing consumer preferences, rising presence of organised players and aggressive advertising campaigns. Diamond and other jewellery reported a CAGR of ~25% over FY12-18, faster than both gold jewellery and bars and coins demand.

Figure: Domestic gems and jewellery market size



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

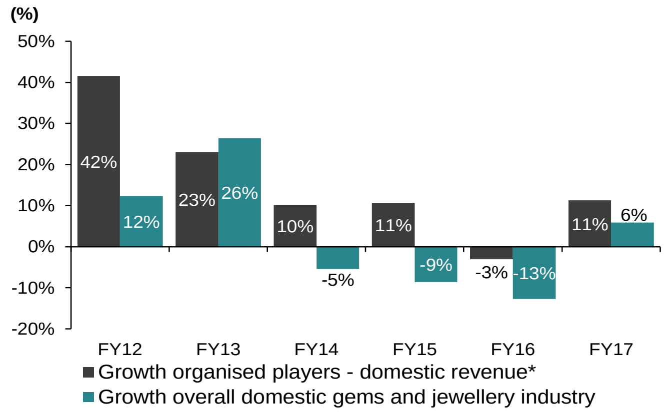
E: Estimated; *others includes ETF net additions
(*Source: WGC, Industry, CRISIL Research*)

Convergence of industry headwinds led to moderation in gold demand over FY11-17; organised players grew faster than the industry

Convergence of several growth impediments – moderate growth in GDP per capita, slowdown in rural income growth, decline in gold prices since FY13, and adverse regulatory changes (such as increase in import duty, restrictions in gold imports) - stalled gold demand growth over FY11-17. Jewellery demand, which peaked in FY11 at 670 tonnes, moderated to 596 tonnes in FY14 before leaping to 655 tonnes in FY15. However, it again declined in FY16 to 591 tonnes mainly due to muted rural spending – a key driver of gold demand in India – following a weak monsoon season, and a nationwide strike by most jewellers. Demand declined further in FY17 to 524 tonnes, impacted by adverse regulatory changes such as demonetisation of high currency notes in Q3FY17.

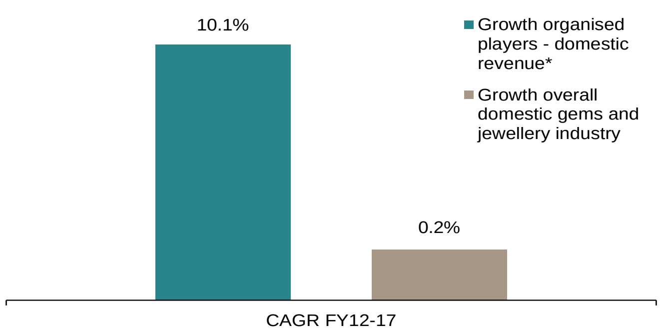
Although impacted by industry-wise slowdown in gold demand, the organised players continue to grow faster than the industry and have gained market share. This is evident in FY12-17 revenue CAGR of 10.1% for organised players compared with flat performance of the domestic gems and jewellery industry. To compare growth of the organised players vis-à-vis the unorganised counterpart, we have considered domestic revenue of a sample of four publicly listed organised jewellery players – Titan, PC Jewellers, TBZ, Thangamayil.

Figure: Organised listed players have grown faster than industry over FY12-17



(*Source: Company annual reports; WGC; Industry; CRISIL Research*)

Figure: Organised players grew at 10.1% CAGR FY12-17 against ~0.2% for the industry



(*Source: Company annual reports; WGC; Industry; CRISIL Research*)

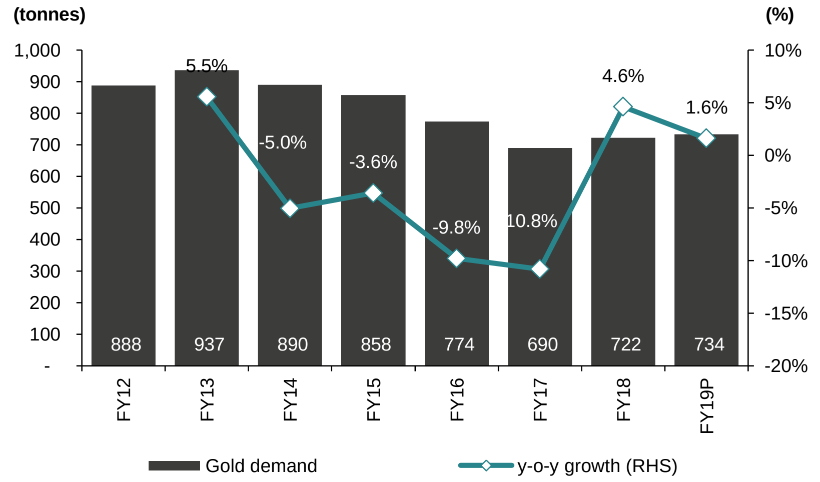
Note: organised listed players considered (in both charts) Titan, PC Jewellers, TBZ and Thangamayil.

Gold demand marginally improved in FY18

The domestic gold industry continued to face hurdles in FY18 on account of GST rollout and implementation of Prevention of Money Laundering Act (PMLA). PMLA placed compliance burden on both retailers and consumers, and restricted cash transactions beyond ₹50,000 without know your customer (KYC) details. This deterred consumers from purchasing jewellery, particularly in rural India, where cash transactions are the norm. Sales dropped drastically in the second quarter as consumers did not want to provide an official ID fearing future actions against them under PMLA.

However, PMLA was rolled back just before Diwali, leading to rise in demand. Further, with the industry stabilising after the introduction of GST, demand picked up during the second half. As a result, jewellery demand increased marginally by ~7% on-year in volume terms in FY18. With organised retailers being better prepared for transition to GST, their share in the jewellery market grew at the expense of the unorganised ones.

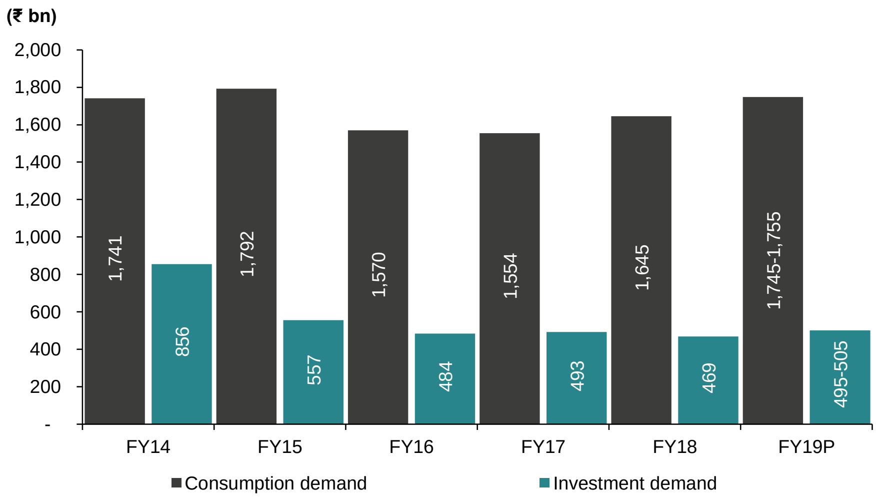
Figure: Gold demand up ~4.6% y-o-y in FY18



(*Source: WGC data accessed as on April 2018, CRISIL Research*)

We expect gold demand to improve in FY19 as markets continue to adapt to GST. As per industry estimates, rural demand is the mainstay of the domestic gold market and accounts for around two-thirds of India's gold demand. A rise in both farm and non-farm incomes – as rural employment and wages increase as a result of ongoing and proposed government measures – is expected to lift rural consumption demand and, thus, will benefit the domestic gems and jewellery market in the next fiscal. However, the expected rise in domestic gold prices to constrain consumption demand. Thus, consumption demand, the largest component in overall gold demand (~78% in FY18), is expected to post an on-year rise of 6-7% in value terms in FY19. Volumes are expected to grow 1-2% during the year.

Figure: Expected to grow 6-7% in FY19

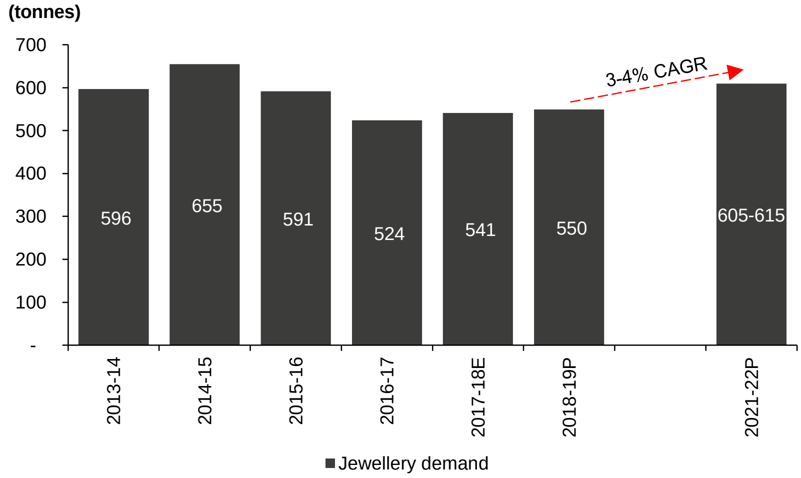


Note: Consumption demand for gold includes gold jewellery while investment demand for gold includes bars and coins and ETF net additions. Diamond and other stones jewellery has been excluded from consumption demand for gold in the above chart.
E: Estimated
(*Source: WGC, CRISIL Research*)

Gold jewellery demand in volume terms to improve over the next five years

Expected rise in GDP growth (to 7.5% projected for FY19 compared with 6.6% in FY18) and a normal monsoon will provide support to jewellery demand in the near term. Over a longer term, improving economic growth (~8.0% real GDP growth projected over the next five years), waning of the short-term disruptions caused by GST rollout, rising urbanisation, and growing disposable income levels are expected to aid growth in gold jewellery demand. Formulation of a comprehensive gold policy, which was announced during the Union Budget 2018-19, and mandatory hallmarking are also expected to be positive for the industry, especially organised players in the longer term. We expect the consumption demand of gold to increase at a CAGR of 3-4% over the next five years. However, annual demand can be impacted by inflation and geopolitical events.

Figure: Trend in gold jewellery demand (volume)



E: Estimated
(*Source: WGC; CRISIL Research*)

Our forecasts assumes no material fluctuations in international and domestic gold prices, stable currency, and steady regulatory environment. Material movements/changes in any of these factors will impact our demand forecasts.

We expect demand for gold bars and coins to improve 1.5-2.5% to ~163 tonnes in FY19 owing to higher volatility in the stock markets and improving income levels. In the Union Budget 2018-19, the government has stressed on developing gold as an asset class and bringing more transparency to bullion trade. While we expect investment demand to grow in FY19, we are unable to provide a long-term growth forecast for the same. This is due to investment demand's close linkage with gold price, which tends to be highly volatile.

Gold prices expected to rise in FY19

Domestic gold prices mirror international prices

Domestic gold prices move in line with international gold prices, as over 95% of demand is met through imports. The domestic gold price premium rose sharply in FY13 owing to an increase in import duty from 4% to 10% that year.

However, domestic gold prices recorded a declining trend since FY13, reaching a low of ~₹ 26,500/10g in FY16 (an on-year 3% decline.) This fall was in line with international gold prices. The then-forthcoming US election, uncertainty surrounding the Brexit referendum, the increasingly perilous state of Italy's banking sector, and continued geopolitical unrest in the Middle East pushed up international gold prices in FY17, leading to ~12% increase in domestic gold prices. Also, 2.4% depreciation of the rupee against the dollar during this period added to the rise in prices.

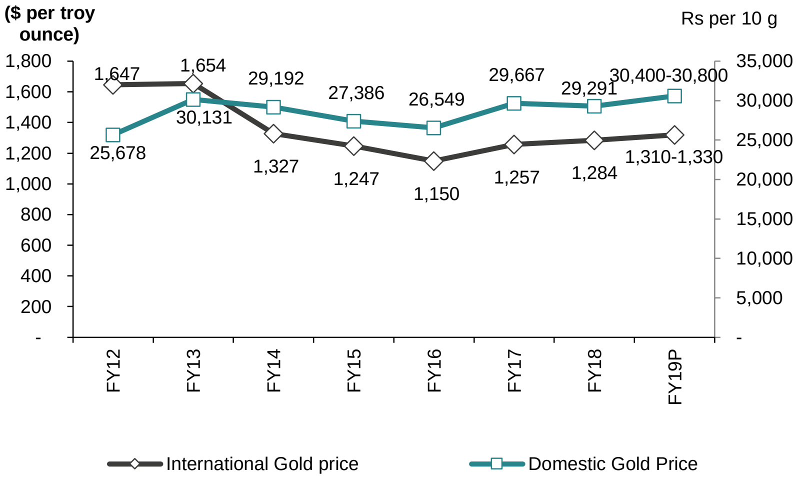
Domestic gold prices expected to rise in FY19

Domestic gold prices declined ~5% in the first half of FY18, more than the drop in international prices. This was on account of increased imports and weak consumer demand, which led to oversupply and a drop in prices. Consumer sentiment weakened during this period due to the implementation of GST and PMLA. Prices jumped only during Diwali and Dussehra. Domestic gold prices rose during the second half of the fiscal, driven by rising international gold prices and a weakening dollar. Thus, domestic gold prices declined just ~1% to ₹29,291/10 gm in FY18.

In FY19, we expect prices to rise 4-5% to ₹30,400-30,800/10 gm, in line with a rise in international prices, rupee depreciation, the market adapting to GST, as well as recovery in demand. The Union Budget 2018-19, with its focus on the rural sector, has provided impetus to demand as the rural population forms a major chunk of consumption demand in India.

While we expect prices to increase in FY19, we are unable to provide a long-term growth forecast for the same. This is because gold prices are dependent on various factors such as geopolitical situations, exchange rates, etc. which tends to be volatile.

Figure: Domestic prices expected to rise in FY19 in line with international prices



(*Source: WGC; MCX; CRISIL Research*)

Jewellery retailing market in India

In India, jewellery is retailed through three formats: national chain stores, regional chain stores and local standalone stores. CRISIL Research defines a national chain store as one which operates several stores across India, while regional chain stores operate several stores in a particular state or region. CRISIL Research has classified the national and regional chain stores as organised and standalone stores as unorganised stores.

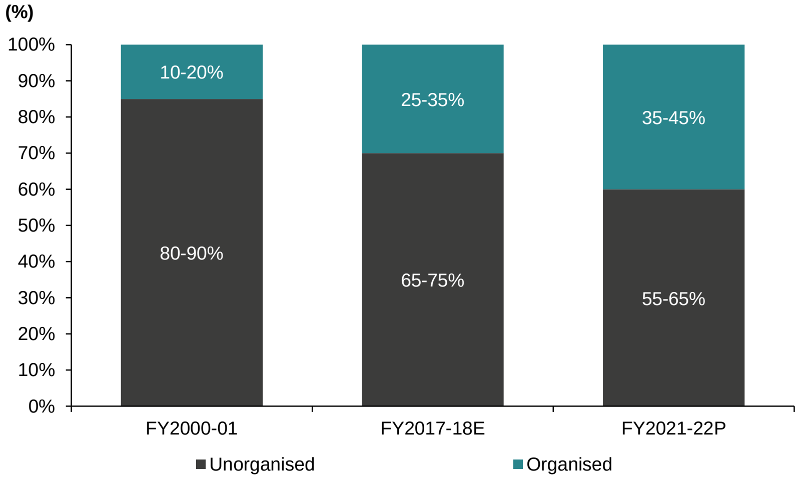
India's domestic gems and jewellery market dominated by unorganised players; organised players are rapidly gaining market share

The jewellery retailing industry in India has traditionally been dominated by family-owned standalone stores, which operated largely on trust. Till about two decades ago, the standalone jewellers accounted for lion's share (~90%) of the domestic jewellery retailing industry. Although this segment continues to account for majority of the industry even today, the organised segment has grown rapidly in recent years and gained substantial market share (~30% as of 2017). The organised jewellery retailers have introduced sophisticated advertising and sales campaigns, effective inventory management systems, better variety and designs, and have raised the quality standards of the industry, which has aided in this shift. Further, better service quality, supply chain efficiencies and enhanced transparency provide an edge over standalone jewellers.

Emergence of pan-India jewellery retailing was marked by the launch of the Tata-owned Tanishq brand, which commenced in 1990s. Prior to Tanishq, several regions had their own strong brands, such as Kalyan Jewellers, Malabar Gold and Joyalukkas in the south; Senco Gold and PC Chandra Jewellers in the east; and TBZ, Waman Hari Pethe Jewellers and PN Gadgil in west India, and PC Jewellers in the north. To capitalise on the shift in consumer demand to organised jewellers from the traditional unorganised jewellers, many of these brands have started to expand their presence at a pan-India level. Apart from opening company-operated stores, many companies have also adopted the asset-light, franchise route for expanding their geographic presence as it reduces capital expenditure requirement and enables faster expansion. Additionally, jewellery is retailed through major department stores such as Shoppers Stop, Lifestyle, etc. via shop-in-shop format. Several global brands such as Swarovski, Damas and Forevermark have also set up outlets in the country.

We expect the organised segment to continue to gain market share in the coming years, and reach 35-45% of the market by CY2020-21. Changing consumer preferences – increasing demand for diamond-studded jewellery, light weight jewellery, and more variety of designs – augur well for the organised players which have a wider product range and better designing capabilities. Recent regulatory changes have also favoured the organised players and hastened the shift towards them. These changes include implementation of GST, which reduced the erstwhile tax arbitrage aiding unorganised players; introduction of hallmarking, and several measures to curb accounted money flowing to the gold industry.

Figure: Organised segment expected to continue to gain share in the jewellery market



E: estimated; P: projected

(*Source: Industry, CRISIL Research*)

Emergence of pan-India jewellers is on the rise

While organised jewellers have rapidly gained share in the industry over the past couple of decades, the organised segment is dominated by regional chains, which currently account for 20-25% of the overall market. With years of experience in core regions, these jewellers have developed a deep understanding of the consumer preference for designs and styles in the region, and developed strong customer loyalty. However, this characteristic has also started changing in recent times, with the regional players venturing outside their core region in the quest for growth. For example – south India-based Kalyan Jewellers, Malabar Gold, Joyallukas; west-based Tribhovandas Bhimji Zaveri; north-based PC Jewellers; and east-based Senco Gold and PC Chandra Jewellers have expanded their retail store presence outside their core markets in the past few years, and joined Titan - the first pan India jewellery player. This trend is likely to continue as regional players continue to fortify their presence across the country and emerge as pan India players.

Advantages over unorganised segment have aided growth of organised jewelers

Industry interactions indicate that national and regional jewellery retailers (organised segment) enjoy an edge over their smaller standalone counterparts (unorganised segment) that have helped the former to steadily gain market share in the industry. These advantages include –

Widespread presence across cities and locations: National and regional jewellery retailers typically have a wider presence across several cities and locations compared with their smaller, standalone counterparts. Geographic diversification allows them to capitalise on growing consumer awareness regarding quality, brands and design trends, and in gaining share from the unorganised segment.

Rise in migration: In recent years, many young Indians have ventured out of their hometowns for better career opportunities. Rise in migratory population augurs well for the organised jewellers as these consumers mostly do not have strong relationships with local jewellers and are typically more inclined towards organised stores which offer better and contemporary designs.

Focus on quality and trust: Several national and regional jewellery retailers are laying a strong emphasis on quality with regards to caratage, an aspect which was previously undermined, especially before BIS hallmarking of jewellery. Increasing number of national and regional jewellers are opting for hallmarking to win customer's trust. Launch of other schemes such as buyback of gold further helps to reinforce their focus on quality.

Better inventory management: Typically, national and regional players have better inventory management systems owing to higher number of stores and, thus, presence over a wider region. This enables the players to shift inventory from stores showing low demand for a particular product to stores where there is more demand for the same or similar items. Further, an inventory tracking system enables companies to monitor consumer preferences and enhance consumer satisfaction based on the demand from the region.

Product raw material sourcing: Players largely rely on imports to source raw gold as India has negligible diamond and gold mining operations. With raw materials accounting for the largest share of jeweller's operating costs, ability to source raw materials efficiently is a major success factor. Owing to large volumes of purchases, large organised players have easier access to credit at more competitive rates than smaller, unorganised jewellers.

Launch of new collections and brands: Given their scale and size of operations, national and regional jewellery retailers enjoy an advantage over the smaller standalone players as they are able to develop and design jewellery according to regional tastes as well as global trends, and launch new collections and brands at regular intervals, thus providing the customer with a wider choice.

Investments in brand building: Typically, national and regional jewellery retailers invest large amounts in brand building and advertising initiatives compared with the smaller standalone players which helps establish trust and create brand recall value for customers.

Ability to attract better talent: Typically, national and regional jewellery retailers have the ability to attract and retain better talent owing to a well-established brand name, faster growth opportunities, and better profitability which enable the company to offer competitive salaries.

Break-up of jewellery demand across regions and type of jewellery

Southern region dominates with 38-43% share of jewellery demand

Industry estimates indicate that nearly 75% of India's gold demand emanates from rural areas, in line with the demographic flavour of the country. Within India, the southern states dominate with 38-43% of gold demand. Demand is supported by higher per capita income, lower poverty rates and strong non-resident Indian demand. Industry estimates also indicate that southern India is predominantly a 22-carat traditional, handmade market. In contrast, eastern India commands an estimated 13-18% share in gold demand, mainly owing to the economically under-developed nature of the region. Similar to southern India, demand for jewellery in the eastern region is focused largely on 22-carat type. In contrast, the northern (23-28%) and western (18-23%) regions prefer 14-carat and 18-carat jewellery.

Table: Regional trends in jewellery demand

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

(*Source: Industry, CRISIL Research; Refer to point 10 in the Annexure for details of states included in particular regions*)

Bridal jewellery leads with 50-55% of demand

Jewellery consumption in India can be broadly categorised as bridal, daily wear and fashion jewellery. Weddings play an important role in jewellery demand in India as our culture necessitates purchase of jewellery during weddings, based on the ancient concept of '*streedhan*', which loosely translates into property or assets given as security for the bride at the time of marriage. Additionally, as per our culture, immediate families of the bride and groom are also gifted jewellery. Since bridal jewellery commands maximum share in jewellery demand, it tends to be concentrated in months considered auspicious for weddings in India. Another key trend witnessed is that families now tend to spread out their wedding jewellery purchases based on factors such as availability of surplus income, drop in gold prices, availability of schemes offered by jewellers, etc. In some cases, families tend to purchase gold bars or coins on a regular basis which are then converted to bridal jewellery as and when required.

In contrast, daily wear and fashion jewellery, which is more lightweight and of contemporary design, has started gaining market share with changing demographics such as increase in working women, exposure to global designs, and increase in per capita income.

Table: Trends by jewellery type

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

(*Source: Industry, CRISIL Research*)

Key demand drivers for jewellery in India

Part of Indian tradition

Tradition is one of the drivers for domestic demand for gold as it is a part of many rituals. In India, it is considered auspicious to purchase gold during festivals, weddings and birth.

Savings and investment vehicle

Gold and gold jewellery, over the years, have become an important investment asset in India as they provide liquidity and a hedge against inflation.

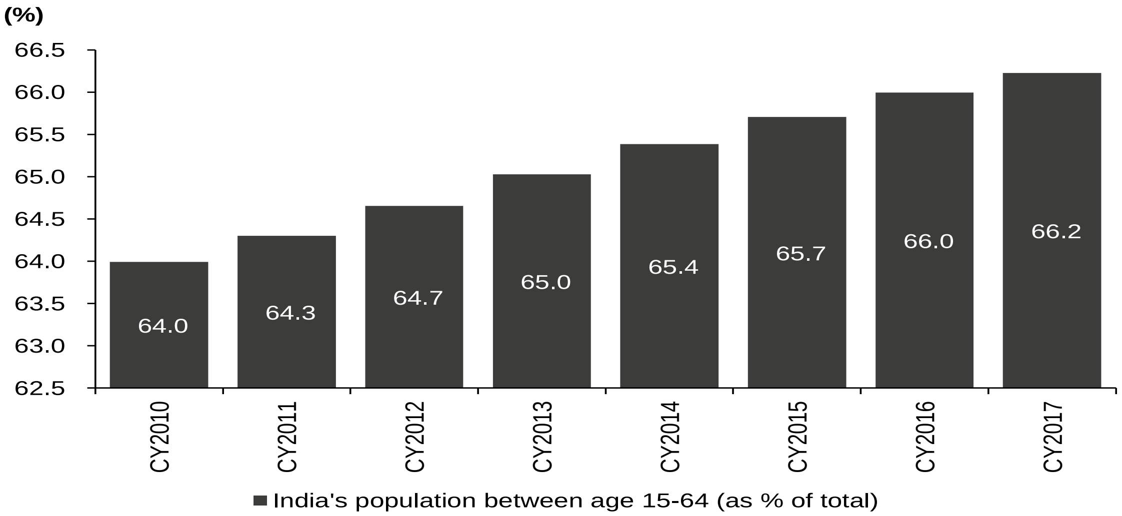
Increasing awareness of other product categories such as diamond, pearls and other jewels

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

Increasing share of the working population

Share of working age population (15-64 years) as a part of overall population has risen from ~64% in CY2010 to ~66% in CY2017. Demand for light-weight, daily-wear fashion jewellery is expected to rise as the younger generation enters the workforce. This augurs well for jewellery retailers as this group accounts for bulk of gold demand.

Figure: Increasing share of 15-64 years age group in India



(*Source: World Bank – World Development Indicators, CRISIL Research*)

Increasing disposable income

Jewellery demand in India is largely driven by a rise in disposable incomes. Industry estimates and studies indicate that all other factors being equal, gold consumption demand enjoys a positive co-relation with rise in per capita income. India's per capita income is expected to increase going ahead, which augurs well for jewellery retailers.

Rise in the number of working women

Although the proportion of women participating in the workforce has remained largely flat over 2001-2010, as per Census 2011, the number of women participating in the workforce increased ~18% from 127 million in 2001 to 150 million in 2011 at a CAGR of 1.6%. Women have traditionally been major consumers and/or influencers for gold and jewellery in India. Hence, an increasing number of working women is likely to result in a higher propensity to spend and may have a positive impact on gold jewellery demand. On account of this trend, over the past few years, several brands of light weight daily wear and fashion jewellery have been launched to address the needs of working women, especially by organised jewellers.

Table: Trend in workforce participation rate (as per census)

Year	Persons	Female	Male
2001			
Total population (mn)	**1,029**	**496**	**532**
Total workers (mn)	**402**	**127**	**275**
Workers as % of population	**39.10%**	**25.63%**	**51.68%**
2011			
Total population (mn)	**1,210**	**586**	**624**
Total workers (mn)	**482**	**150**	**332**
Workers as % of population	**39.79%**	**25.51%**	**53.26%**

(*Source: Census India, CRISIL Research*)

Availability of inexpensive and skilled labour

India is very competitive in the international gems and jewellery market owing to low cost of production and availability of skilled labour. Further, Indian artisans specialise in processing small diamonds, unlike other large markets such as Belgium and Israel.

Training institutes

The government has set up training gems and jewellery institutes to develop a skilled workforce that is proficient in the latest aspects of jewellery design, refining, model making, jewellery manufacturing, CAD / CAM, gemology and diamond grading. Such institutes can also encourage constant product innovation to cater to changing global preferences.

Government support

Incentives such as duty drawbacks, waiver on custom duties on imports of rough diamonds have been a shot in the arm for the industry. Moreover, the government's move to set up diamond bourses and dedicated SEZs will encourage small and unorganised players.

Recent trends in retailing of gems and jewellery industry in India

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

Emergence of the online format

Players are increasingly adopting the online format as an alternative sales channel, especially in metropolitan cities. As per industry sources, although the share of online in total gems and jewellery sales is currently miniscule (less than 1% of the total industry), it is poised for fast growth going ahead and is expected to account for 1-2% of the fine jewellery segment by FY22. Apart from physical brick and mortar (B&M) stores, players have created an online presence via their own website, mobile application or tie-up with a market place website such as Amazon, Flipkart, etc. Many prominent jewellers such as Tanishq, Kalyan Jewellers, Joyalukkas, Malabar Gold & Diamonds, Senco Gold, PC jewelers, and TBZ have started retailing jewellery online.

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

Increasing preference for light-weight jewellery

With increasing number of working women, exposure to global designs, and rising number of young consumers who prefer to purchase jewellery for adornment rather than investments, consumer preferences are shifting away from traditional bulky jewellery to light weigh fashion jewellery. Hence, jewellery retailers have started manufacturing light-weight fashion jewellery of contemporary designs which are suitable for daily use.

Availability of BIS hallmark/accredited jewellery

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

Buyback schemes

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

Monthly investment plans

Monthly investment plans have become popular as a key offering among jewellery retailers. Under the scheme, customers pay equated monthly instalments, which are converted into a purchase at the end of the payment cycle. Since the customer opts to pay for the product in advance, retailers offer some additional value benefit over the instalments paid by the customer at the time of purchase. It allows a buyer to easily purchase a big-ticket product. However, in view of a proposed ban on unregulated deposit collection plans under the draft bill "Banning of Unregulated Deposit Schemes Bill, 2018" – which was approved by the Union Cabinet in February 2018 for introduction in the Parliament – some jewellers have put these schemes on hold with respect to enrolling new customers, whereas others are awaiting clarity before discontinuing them.

Availability of customization

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

National/regional chains invest on advertising to strengthen their brand image

As mentioned earlier, national and regional chains invest higher amounts in advertising to establish trust among customers, broaden their appeal and, in doing so, build their brand.

Similar to the emergence of organised jewellery retailers, advertising strategy of players in this industry has also evolved. Previously, players used to opt for more of print media – publishing ads in newspapers, magazines, etc. However, with the dawn of technology, despite higher costs, the industry has shifted to more digital and outdoor media.

Many players have roped in celebrities as brand ambassadors to promote and strengthen their brands. Major industry players have carried out region-specific campaigns wherein a different brand ambassador is roped in for each state. This is done to build trust and increase brand awareness.

For instance, Kalyan Jewellers has carried out campaigns in its core region (south India), wherein for each southern state the company engaged with a brand ambassador. Similar campaigns and advertising strategies were also carried out by other players such as Joyallukas. East-based player, Senco, has roped in celebrities such as the ex-captain of the Indian cricket team – Sourav Ganguly and film industry veteran – Vidya Balan as brand ambassadors. Further, many players have their brand ambassadors present for inaugural ceremonies of new showrooms which provides good media coverage, thereby fuelling consumer's curiosity to visit the showrooms.

Table: Select company's brand ambassadors

Particulars	**Brand ambassadors over the years***
Titan Company Ltd (jewellery division)	Deepika Padukone, Amitabh Bachchan, Jaya Bachchan
Kalyan Jewellers India Ltd (KJIL)	Sonam Kapoor, Amitabh Bachchan, Manju Warrier, Aishwarya Rai Bachchan, Sushmita Sen, Prabhu Ganesan, Nagarjuna Akkineni, Shiva Rajkumar
PC Jeweller Ltd (PCJ)	Akshay Kumar, Twinkle Khanna, Giselli Monteiro, Mugdha Godse, Madhur Bhandarkar, Shilpa Shetty
Joyalukkas India Pvt Ltd (JIPL)	Kajol Devgan, R. Madhavan, Allu Arjun, Suresh Gopi, Kiccha Sudeep, Hiran, Hrithik Roshan
Tribhovandas Bhimji Zaveri Ltd (TBZ)	Vani Kapoor
Senco Gold Ltd (SGL)	Vidya Balan, Sourav Ganguly, Prosenjit Chatterjee, Arpita Chatterjee, Moon Moon Sen, Riya Sen, Raima Sen
P.C. Chandra Jewellers	Koel Mallick, Deepika Padukone, Yami Gautam, Hasleen Kaur, Sayyeshaa Saigal
M.P. Jewellers	Bidita Bag

* Indicative list, may not be exhaustive; includes both current and past brand ambassadors

(*Source: Company website and annual reports, news articles, CRISIL Research*)

Unit dynamics of a jewellery retail store

Table: Indicative workings of a typical large jewellery store

Particulars	Typical large retail jewellery store
Size (sq. ft.)	3,000-4,000
Average sales per sq. ft. per year	150,000-200,000
Total revenue (₹ million) (A)	**500-600**
Share of diamond-studded jewellery in total	20-30%
Gold gross margin	~11%
Diamond gross margin	~35%
Blended gross margins	16-18%
Store costs (as percentage of sales)	
Advertising	2-3%
Salary	1-2%
Rentals	1-2%
Other overheads	1-2%
Operating margin of the store (B)	**10-12%**
Operating profit of the store (₹ million) (C=A*B)	**55-65**
Per sq. ft. capex (₹)	5,000-6,000
Total capex required (₹ million) (D)	**15-20**
Days in inventory	150-200
Total inventory (₹ million)	200-280
Total capital employed (₹ million) (E)	215-300
Depreciation (F = E*15%)	**2-4**
EBIT (G = C-F)	**50-60**
RoCE (G/E)	**20-25%**

(*Source: Industry, CRISIL Research*)

In the table above, we have captured the typical workings of a large jewellery store, covering 3,000-4,000 sq. ft, under the company-owned, company-operated model. This analysis is based on secondary data available in the public domain and primary discussions with gold jewellery retailers. The store dynamics is an indicative calculation and is liable to change due to many factors, including but not limited to – location of the store, sales mix between gold and diamond-studded jewellery, brand strength of the store operator, and operational and working capital efficiencies.

We have assumed an annual per sq. ft. sale of ₹150,000-200,000, which is line with the industry standards. Gold and diamond-studded jewellery is assumed at 75%:25%, which is akin to the established organised jewellers such as Titan, PC Jewellers, and TBZ.

As per our secondary research and primary interactions, we understand that gross margin for gold jewellery ranges from 10% to 12%, and for diamond-studded jewellery 20-30%. Therefore, we have assumed ~11% gross margin for gold and ~35% for diamond-studded jewellery. Consequently, our blended gross margin works out to 16-18%, which is likely to change in case the gold and diamond-studded jewellery mix and/or the gross margins are different from our assumptions.

We have calculated the overhead cost for the store – advertising (2-3% of sales), rental costs (1-2% of sales), staff salary costs (1-2% of sales), and other overhead costs (1-2% of sales). Given that this calculation is for a single store, we have not assumed corporate overheads that would be part of a jewellery retailing company.

After deducting the overheads, the store's operating margin works out to 16-18%.

We have assumed the average capital expenditure for a typical jewellery store to be ₹5,000-6,000 per sq. ft. Based on this assumption, the aggregate capex for the store (including lease rental deposits) works out to ₹15-20 million.

The jewellery retailing industry is working capital intensive. We have, thus, assumed net inventory days of 150-200 days (on revenue), considering that a substantial share of revenue comes from diamond-studded jewellery, which has a longer inventory turnover cycle. The total inventory requirement works out to ₹200-280 million.

Adding the inventory and store capex, the total capital employed for the store is assumed at ₹215-300 million.

After accounting for depreciation, we have arrived at earnings before interest and taxes (EBIT) of ₹50-60 million. By using these numbers, return on capital employed (RoCE) for the store works out to 20-25%.

Market landscape: Major organised jewellery retailers in India

Most jewellery retailers in India manufacture and sell gold, silver and diamond jewellery. Following are some of the major players in the industry.

Table: Details of some major organised jewellery retailers in India (indicative list, not exhaustive)

Players	**Description**	**Key product segments**	**Collections&**	**Store count***	**Regional presence**
Titan Company Ltd# (Jewellery division)	Titan Company Ltd, a joint venture between Tata Group and Tamil Nadu Industrial Development Corporation (TIDCO), commenced operations in 1984 under the name Titan Watches Ltd. Titan's Jewellery division started in 1995 with the introduction of 'Tanishq' showrooms in India.	Gold, diamond silver and platinum, jewellery,	Aveer, Mirayah, Swarnam, Niloufer	309	Pan India
PC Jeweller Ltd (PCJ)	PCJ started its operations in April 2005 with a showroom at Karol Bagh, New Delhi. The company offers a wide range of jewellery across various price points and is increasingly focusing on diamond jewellery.	Gold and diamond jewellery, silver items	Lal Quila, Grecia, Amalia, Inayat, Mesmerizing Love	92	Pan India
Kalyan Jewellers India Ltd (KJIL)**	Incorporated in 1993, Kalyan Group's KJIL is an established jewellery retail player in southern India with growing presence in other regions. It also has operations in the Middle East through wholly owned and step down subsidiaries.	Gold, diamond and platinum, jewellery, gemstones	Mudhra, Tejasvi, Apoorva, Ziah, Laya, Sankalp, Nimah, Rang, Hera, Anokhi	89	Pan India International: Kuwait, Abu Dhabi, Ajman, Dubai, Ras Al Khaimah, Sharjah, Al Khor, Al Rayyan, Al Wakrah, Doha and Muscat
Joyalukkas India Pvt Ltd (JIPL)	JIPL was incorporated in 2002 and opened its first store in Kottayam, Kerala. Promoted by Mr Alukkas Varghese Joy, the company's stores are concentrated in South India but also has some presence in North India with stores across Mumbai, Gujarat, National Capital Region and Kolkata.	Gold, diamond and platinum, jewellery	Apurva, Ratna, Veda, Zenina, Pride, Eleganza, Li'l Joy	80	Pan India; majorly South India International: UAE, Oman, Bahrain, Qatar, Saudi Arabia, UK, Singapore, Malaysia, USA, Kuwait
Senco Gold Ltd (SGL)	SGL was incorporated in August 1994 as a private limited company and was reconstituted as a public limited company in 2007. The company manufactures and retails plain and studded gold jewellery along with diamond, platinum and silver jewellery. It also exports to wholesalers in Singapore, Dubai and Saudi Arabia.	Gold, diamond, platinum and silver jewellery	Everlite, Venus, Cinderella	90	Pan India, Strong Presence in East India
Tribhovandas Bhimji Zaveri Ltd (TBZ)	TBZ is part of the "*TBZ–The Original*" parent brand which commenced operations in 1864 and was reconstituted to a public limited company from a private limited company in December 2010. The company has stores across 26 cities across 11 states.	Gold, diamond and platinum, jewellery, gemstones, Jadau jewellery	Azva, Ria, Dohra, Temple Collection	37	Pan India

Players	Description	Key product segments	Collections&	Store count*	Regional presence
Thangamayil Jewellery Ltd (TJL)	TJL's business commenced as a proprietorship concern by Baluswamy Chettiar in 1947, but was reconstituted as a public limited company in 2007. The company is a gold, diamond and silver jewellery retailer based in Madurai, Tamil Nadu.	Gold, diamond and silver jewellery	Malai, Mangalyam	32	South India (concentrated in Tamil Nadu)

Note: NA - Not available; & indicative list of collection and not exhaustive.
*Store counts are sourced from company websites accessed as on April 11, 2018
#Titan Watches was established in 1984; it launched the jewellery brand Tanishq in 1995
**Kalyan Jewellers India entered the jewellery retailing business in 1993; the group has been into textile retailing and wholesaling for over 100 years
(*Source: Company website, annual reports and filings, CRISIL Research*)

Key observations:

Titan Company Ltd has the maximum number of stores in India.

Tribhovandas Bhimji Zaveri Ltd is the oldest established brand amongst the above players with the parent brand being established in 1864.

Jewellery retailing market in east India

Consumers prefer traditional jewellery designs in east India

In east India, gold jewellery purchases have a close association with tradition and culture, which translates into a penchant for traditional designs among consumers. West Bengal, the prominent jewellery market in the east, is famous for intricately designed and handcrafted gold jewellery with delicate gold filigree. As per industry sources, some of the traditional bridal pieces include pieces such as *chandbalis, choor, ratanchoor, mantasha, saptalahari, hansulis, nabaratna sets, kundan, polki* and *meenakari* sets. Apart from this, gemstones are used for astrological purposes in the form of *Graharatna* jewellery. Industry sources indicate that demand for diamond-studded jewellery and solitaires has been significantly lower than gold jewellery traditionally, but it has picked up in recent years.

Table: Typical wedding jewellery preference in Bengal

Bride	Bangles (~50 gms)	Earrings (~20 gms)	Chains (~20 gms)	Small necklaces (~30 gms)	Large sets (~50 gms)	Others (~20 gms)	Gross weight (Average upper middle class consumption)
Bengali bride	Plain bala, mukh bala, chur, chit bala	Jhumkaa	Handmade Chains	Gola chik	Sita haar	Kamar chavi, tikly, nath ring	210 gm

Source: Malabar Gold and Diamonds; Metals Focus; World Gold Council; CRISIL Research

West Bengal is a prominent jewellery manufacturing hub in east India

West Bengal is a prominent jewellery manufacturing hub in east India, renowned for light weight and hand-made jewellery. Apart from catering to jewellery demand in the state, jewellery manufacturers from this region also cater to neighbouring states and other parts of the country. Additionally, it is one of the major gold and diamond jewellery exporting regions in India. According to a WCG report "India's gold market: evolution and innovation", ~50% of gold jewellery exported from India is plain gold jewellery sets or chains, and typically made in Mumbai, Kolkata and cities in south India. Gems and jewellery is also one of the leading employment generating sectors in the state.

Favourable policies from the state government have been aiding the industry. West Bengal Industrial Development Corporation Ltd recently set up a large gems and jewellery park in Domjur, Howrah to boost the industry. The industrial park is spread across 6 acres with good connectivity to Kolkata and prime gold manufacturing cluster in the state.

West Bengal is among the top states in India in per capita jewellery consumption by urban households…

Table: Top 5 urban regions in per capita consumption of gold ornaments among Indian states July 2011 - June 2012 (value)

₹/person in urban areas	Gold ornaments	Total jewellery & ornaments
Kerala	2,279	2,355

Tamil Nadu	538	600
Haryana	398	439
West Bengal	382	425
Gujarat	355	416
All India	**332**	**391**

Note: Data of union territories is not included

(*Source: NSS Report No. 558: Household Consumption of Various Goods and Services in India, 2011-12*)

Urban India, with higher disposable income, spends more on gold ornaments than rural areas. As per NSSO data, urban spending on gold ornaments was highest in Kerala, in both urban and rural households, with average of ₹2,279 and ₹2,503, respectively, spent per person per year. West Bengal ranks fourth in terms of urban per capita consumption of gold jewellery - with average spending of ₹382 per person per year. This depicts gold's importance in the state's social traditions.

… But per capita spending on jewellery by rural regions in West Bengal is one of the lowest among Indian states

Table: Rural regions in per capita consumption of gold ornaments among Indian states July 2011 – June 2012 (value)

₹/person in rural areas	Gold ornaments	Total jewellery & ornaments
Kerala	2,503	2,551
Goa	409	409
Karnataka	336	364
Himachal Pradesh	304	337
Tamil Nadu	266	311
Jammu & Kashmir	262	268
Punjab	239	248
Andhra Pradesh	232	310
Gujarat	185	263
Haryana	165	219
Rajasthan	159	219
Uttarakhand	147	165
Arunachal Pradesh	131	181
West Bengal	78	94
Maharashtra	69	92
Uttar Pradesh	57	116
Odisha	39	52
All India	**183**	**226**

Note: Data of union territories is not included; data sorted according to per capita consumption of gold ornaments

(*Source: NSS Report No. 558: Household Consumption of Various Goods and Services in India, 2011-12*)

However, in West Bengal, rural spending on gold ornament does not reflect the consumption pattern of the urban counterparts. The per capita consumption of gold among rural consumers of West Bengal is ₹78 per person per year, which is less than half the average rural spending of ₹183 in India. Further, most eastern and north-eastern states rank low in this list. Arunachal Pradesh has the highest per capita spending of ₹131 on gold ornaments in the east, which is lower than the India's per capita consumption of gold ornaments.

We believe high urban spending on gold ornaments in West Bengal is a positive for east-based jewellery industry owing to increasing proportion of urban population in the overall mix. Further, with increase in purchasing power of customers, decrease in the proportion of population under the below poverty line, and rise in financial inclusion in the region, spending on gold ornaments has the potential to increase.

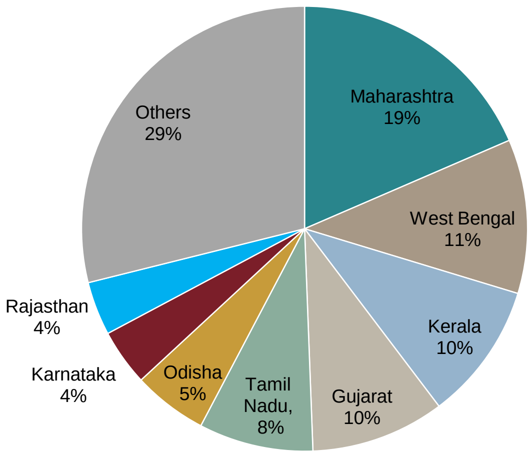
West Bengal has a substantial share in BIS hallmark registered stores selling gold jewellery in India (as of CY2016)

While industry estimates indicate that there are more than 400,000 jewellery stores in India, as per BIS, there are more than 21,500 BIS hallmark registered stores selling gold jewellery in India as of CY2016. West Bengal is home to a sizable chunk of these stores at ~11% of the total (or ~3,000), which makes it one of the large jewellery markets in the country in terms of hallmark registered store counts.

At the regional level, the eastern region – West Bengal, Orissa, Bihar, Assam, Jharkhand, Tripura, Meghalaya, Nagaland, Arunachal Pradesh, Manipur, Mizoram, Sikkim – accounts for ~25% of BIS hallmark registered gold jewellery stores in the country. The west (Maharashtra, Gujarat, Rajasthan and Goa) and south (Kerala, Tamil Nadu, Andhra Pradesh, Karnataka and Telangana) account for ~33% and ~28% of the total, respectively.

Within the eastern region, West Bengal makes up for ~55% of the BIS hallmark registered gold jewellery retailers. Higher awareness and demand for quality among customers, as indicated by industry sources, have resulted in West Bengal commanding the maximum share of BIS hallmark registered gold jewellery stores in the region.

Figure: Maharashtra, followed by West Bengal, has the highest share of BIS hallmark registered gold jewellery stores in India

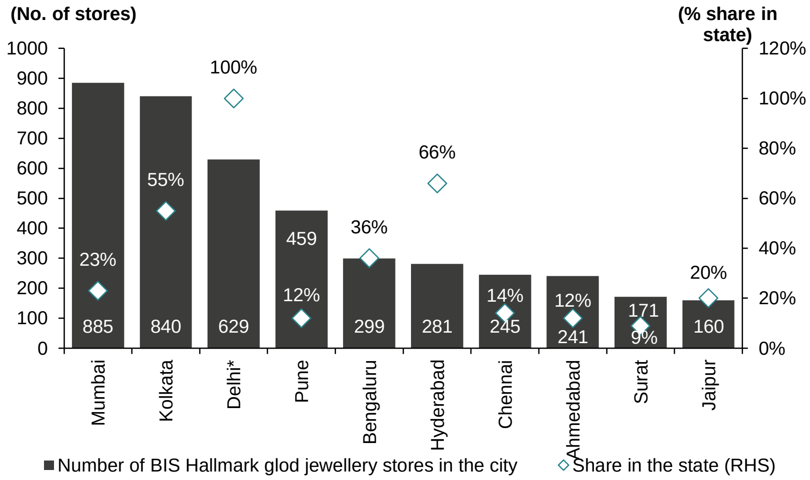


(*Source: BIS website accessed on March 6, 2018, CRISIL Research*)

Top 10 cities account for ~20% of all BIS hallmark registered gold jewellery stores in India; Kolkata accounts for ~55% of the BIS hallmark stores in West Bengal

In terms of the number of BIS hallmark registered gold jewellery stores. Mumbai tops the chart with 885 stores, followed closely by Kolkata at 840 stores. The top 10 cities account for around one-fifth of all BIS hallmark registered gold jewellery stores in India. Additionally, due to higher awareness and demand for quality among customers, cities in western and southern India account for more than two-thirds of BIS hallmark registered gold jewellery stores within the top 10 cities.

Figure: Mumbai, followed by Kolkata, has the highest number of BIS hallmark jewellery stores



Note: Delhi's share in BIS hallmark registered gold jewellery stores is 100% since it is a union territory. Hyderabad's share is with respect to Telangana

(*Source: BIS website accessed on March 6, 2018, CRISIL Research*)

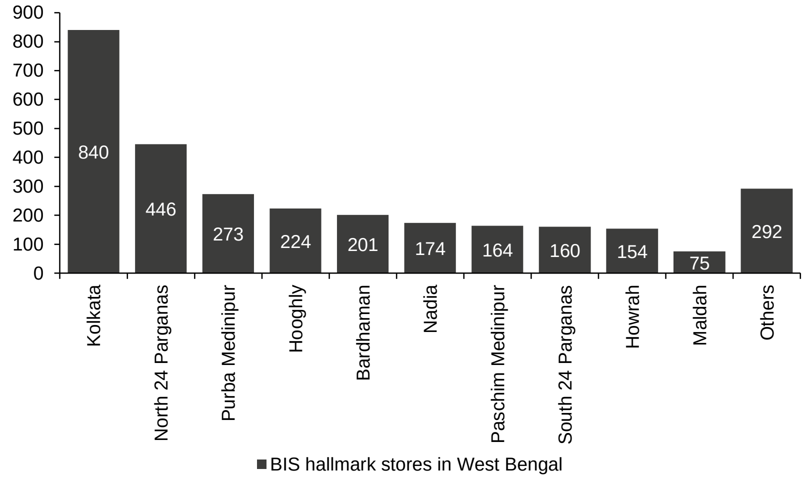
Under the traditional B&M format, jewellery in India is retailed via national chain stores, regional chain stores and standalone stores. CRISIL Research defines a national chain store as one which operates several stores on a pan-India level, while regional chain stores operate several stores in a particular state or region.

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

Increasing urbanisation along with rising incomes and brand awareness present a good opportunity for both national and regional chain stores to expand in these cities, by leveraging on their brand vintage.

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

Figure: District-wise BIS hallmark registered gold jewellery stores (CY2016)



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

The larger urban districts such as Kolkata and North 24 Parganas have a higher share in BIS Hallmark registered gold jewellery stores in the state. The top 10 districts - Kolkata, North 24 Parganas, Purba Medinipur, Hooghly, Bardhaman, Nadia, Paschim Medinipur, South 24 Parganas, Howrah and Maldah - account more than 90% of BIS hallmark registered gold jewellery stores in the state.

Economic overview of eastern India

Eastern region's average NSDP has grown at a faster pace, but remains the lowest

Compared with other regions, the eastern region lags in terms of per capita income. This is indicated by the fact that it has the lowest average per capita net state domestic product (NSDP). Further, only three of the 13 states (including union territories) in the region have an above average per capita NSDP. However, over the past few years, the per capita NSDP of India's eastern region has grown at a faster rate than India's per capita NSDP.

Reducing poverty augurs well for consumption spending growth in the eastern region

As per the 2004-05 census, India's population in the BPL category was about 37.2% and 21.9% in 2011-12. Most of the eastern states have a higher-than-average BPL population. However, during the aforementioned period, some of these states witnessed reduction in poverty. If this trend continues and poverty comes down further, it will improve consumption spending in the region.

Urbanisation in east India is also on the rise

As per the 2001 census, urban population constituted 18% of the total population in east India compared with 28% for India. Further, though it remains the lowest in India, it has improved to 21% as per the 2011 census. India's urban population increased at a CAGR of 2.8% over 2001-11 compared with rural population growth of 1.2%. Over the same period, urban population in east India grew at a marginally higher rate of 2.9%. This trend is likely to continue in the region as more and more young people from rural regions flock to cities in search of jobs and other economic opportunities. A United Nations report, World Urbanization Prospects: The 2014 Revision, expects the population of Kolkata to grow at ~2.0% over 2020-30 to 19.1 million people.

Financial inclusion in the region remains low; eastern and northern regions have a lower share in total bank credit and deposits

Financial inclusion is imperative to sustain continuous and equitable economic growth. Indian banking credit and deposits are predominantly concentrated in the southern and western regions, whereas banking credit and deposit penetration has been empirically low in the northern and eastern regions. Although over FY11-17 credit and deposit penetration in the eastern region increased, it remains the lowest.

Details of jewellery retailers operating in east India

Table: Details of major organised jewellery retailers in east India (indicative list, not exhaustive)

Players	**Description**	**Key product segments**	**Collections&**	**Store count***	**Regional presence**
Senco Gold Ltd (SGL)	SGL was incorporated in August 1994 as a private limited company and was reconstituted as a public limited company in 2007. The company manufactures and retails plain and studded gold jewellery along with diamond, platinum and silver jewellery. It also exports to wholesalers in Singapore, Dubai and Saudi Arabia.	Gold, diamond, platinum and silver jewellery	Everlite, Venus, Cinderella	90	Pan India with strong presence in East India
P.C. Chandra Jewellers	P.C. Chandra Group has been involved in jewellery retail since 1939 through its partnership concern, P.C. Chandra & Sons. The company manufactures and retails gold, silver and precious stone ornaments. Jewellery is produced through job work and sold to retail clients from the company's showrooms.	Gold, silver and precious stone ornaments	Goldlites, Little Jewels	41	Mainly in East India
Anjali Jewellers Pvt Ltd	Anjali Jewellers was incorporated in November 1992 in Kolkata. Apart from manufacturing and retailing jewellery, it has a collection of astrologic stones. The focus is on customers who are conscious about taste, style and heritage.	Gold, diamond, silver and gemstone jewellery	NA	18	West Bengal
M.P. Jewellers	Set up in 1945, M.P. Jewellers is one of the oldest family run jewellery groups in West Bengal. It manufactures and retails gold, diamond, platinum and silver jewellery. With 32 retail outlets in West Bengal, Assam, Tripura and National Capital Region, the brand has become a recognised regional retail chain.	Gold, diamond, platinum and silver jewellery	NA	32	East India

Note: NA - Not available; Refer to point 10 in the Annexure for states included in particular regions

& indicative list of collection and not exhaustive.

*Store counts are sourced from company websites accessed as on April 11, 2018

(*Source: Company website, annual reports and filings, CRISIL Research*)

Table: Major organised jewellery retailers – domestic store-level details

Players	**Store count as of (FY17)#**	**Store count (current)***	**East region$ store count (current)***
National and major regional players			
Titan Company Ltd (Jewellery division)^	286	309	43
PC Jeweller Ltd (PCJ)	75	92	14
Kalyan Jewellers India Ltd (KJIL)**	87	89	4
Joyalukkas India Pvt Ltd (JIPL)^^^	64	80	1
Senco Gold Ltd (SGL)	82	90	74
Tribhovandas Bhimji Zaveri Ltd (TBZ)	33	37	7

Thangamayil Jewellery Ltd (TJL)	31	32	0
Other east based players			
P.C. Chandra Jewellers[##]	31	41	37
Anjali Jewellers Pvt Ltd	18	18	18
M.P. Jewellers[&&]	18	32	30

[#]Store count as of FY17 if available, else closest available to the period
*Store counts are sourced from company websites accessed on April 11, 2018
[$]East region includes West Bengal, Bihar, Chattisgarh, Jharkhand, Odisha as well as North Eastern states of Assam, Tripura, Meghalaya, Nagaland, Arunachal Pradesh, Manipur, Mizoram and Sikkim
(*Source: Company website, annual reports and filings, CRISIL Research*)

Key observations:

Titan Company Ltd has the maximum number of stores in India.

Senco Gold is largest player in the eastern region based on number of stores (74) – amongst east based as well as national players - followed by Titan which has 43 stores (stores considered include large format as well as small format stores and store counts are sourced from company websites accessed on April 11, 2018).

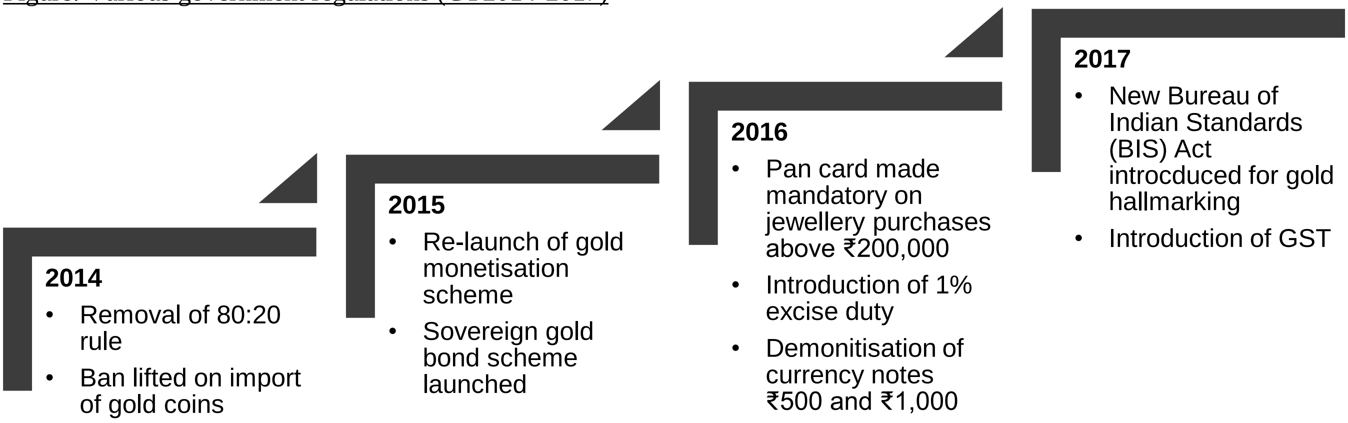
Further, amongst above mentioned east-based players, Senco has the widest geographical footprint in non-eastern states i.e. with 9, 4 and 3 stores in west, north and south India, respectively. Similarly, PC Chandra is present in non-eastern states – with 2, 1 and 1 stores in west, north and south India, respectively.

Industry regulations

Trends in key government initiatives

Government regulations in the gems and jewellery industry have played a crucial role in governing prices, demand and imports-exports in the sector. Various government initiatives introduced in India from CY2014 to CY2017 are as follows:

Figure: Various government regulations (CY2014-2017)



(*Source: Industry, CRISIL Research*)

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

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

Import duty and FDI norms

Import duty unchanged in 2017-18

Although India's CAD came under control in FY15 thanks to lower crude oil prices, it is expected to rise to 1.3% in FY18 from 0.9% in FY17, mainly owing to rising core (non-gold, non-oil) imports, prompted by improved GDP growth. Accordingly, import duty on gold is estimated to be 10% (as of August 2013) in the short term, to check imports and CAD.

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

100% FDI permitted under the automatic route

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

Foreign investment in a single brand product retail trading is aimed at attracting investments in production and marketing, improving the availability of such goods for the consumer, encouraging increased sourcing of goods from India, and enhancing competitiveness of Indian enterprises through access to global designs, technologies and management practices.

Budget provisions 2018-19

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

The Union Budget 2018-19 doubled the custom duty on cut and polished diamonds, and cut and polished coloured gemstones from 2.5% to 5%. Custom duty on imitation jewellery was increased from 15% to 20%. Import duty on gold was unchanged at 10%.

Comprehensive gold policy on the anvil to develop yellow metal as an asset class

In the Union Budget 2018-19, Finance Minister Arun Jaitley announced that the government will formulate a comprehensive gold policy to develop gold as an asset class. He stated that the government will also establish a system of consumer-friendly and trade-efficient system of regulated gold exchanges in the country. He added that the GMS will be revamped to enable people to open a hassle-free gold deposit account.

OUR BUSINESS

Overview

We are the largest organized jewellery retail player in the eastern region of India based on number of stores (74) – amongst east based as well as national players (*Source: CRISIL Report*). We primarily sell gold and diamond jewellery and also sell jewellery made of silver, platinum and precious and semi-precious stones and metals. Our other offerings include costume jewellery, gold/ silver coins and utensils made of silver. Presently, we have 93 showrooms, which have a total area of approximately 255,284 sq. ft., in 72 cities and towns. A majority of our revenue is derived from the sale of light-weight gold jewellery products. We offer a large variety of designs of handcrafted jewellery, most of which are designed in-house by our team of designers in close collaboration with skilled local artisans or craftsmen (generally termed *Karigars*).

While a majority of our showrooms, selling products under the "Senco Gold & Diamonds" tradenames, are Company Operated Showrooms, we also market our products through Franchised Showrooms allowing for an asset light model aimed at minimising our capital expenditure. In the recent past (between Fiscal 2014 and Fiscal 2018), we have added several showrooms including opening 25 Company Operated Showrooms and 14 Franchise Showrooms. As on the date of this Draft Red Herring Prospectus, we have 48 Company Operated Showrooms and 45 Franchise Showrooms. Of our total of 93 showrooms, 60 are in West Bengal; six are in Uttar Pradesh; five are in Odisha; four are in Jharkhand; three each in Karnataka, Maharashtra and Assam; two each in Delhi and Bihar; and one each in Telangana, Chhattisgarh, Haryana, Madhya Pradesh and Tripura.

We believe our more than five decades long track-record evokes consumers' trust in our products. We have been awarded the "Best Capital Management" award by Business India publication in 2015; 'Iconic Brand of India' award by Economic Times in 2016-17; the 'Gems of India' award by All India Gems and Jewellery Federation in 2015-16; the 'Leading Retailer of India' by UBM in 2016 and in 2014; and the 'Social Responsible Jewellery Award' by All India Gujarat Jewellery Federation in 2015-16. Further we have been ranked as "India's 5th Most Attractive Jewellery Brand" by India's Most Attractive Brands 2017 and "India's 5th Most Trusted Jewellery Brand" by The Brand Trust Report, India Study 2016. We have also received the award of "Best Chain of Retail Stores (National-2017)" by Indian Bullion and Jewellers Association Limited at the 4th India Bullion and Jewellery Awards, 2017.

We have a dedicated design team, comprising 12 designers as on June 30, 2018 focused on developing new products and designs that meet customers' requirements. We also customize jewellery for individual needs. The manufacturing of our jewellery is carried out by over 100 experienced *Karigars* in Kolkata, West Bengal under Karigar Agreements. Our presence in West Bengal allows us to access quality craftsmen, who have been working with our Company for a number of years. We believe that our scale of operations enables us to commit significant volumes of work to *Karigars*; which in turn enables them to offer quality finished products to us at competitive prices. Additionally, we believe that this ensures that the *Karigars* devote a significant portion of their time towards fulfilling commitments to our Company with a competitive and innovative drive towards completion of our jewellery orders.

West Bengal is a prominent jewellery manufacturing hub in east India, renowned for light weight and hand-made jewellery. Apart from catering to jewellery demand in the state, jewellery manufacturers from this region also cater to neighbouring states and other parts of the country. Additionally, it is one of the major gold and diamond jewellery exporting regions in India. According to a WCG report "India's gold market: evolution and innovation", ~50% of gold jewellery exported from India is plain gold jewellery sets or chains, and typically made in Mumbai, Kolkata (capital of West Bengal) and cities in south India. In terms of the number of BIS hallmark registered gold jewellery stores, Mumbai tops the chart with 885 stores, followed closely by Kolkata at 840 stores. (*Source: CRISIL Report*).

Our diverse jewellery collection is offered across various price points (ranging from approximately ₹500 to approximately ₹500,000) so as to maximise our potential customer base. We offer our customers from across India a wide variety of jewellery in order to cater to regional tastes.

Our marketing activities are focused on improving our brand recall and generating footfalls in our showrooms throughout the year. During Fiscal 2018, 2017 and 2016 we spent ₹346.93 million, ₹375.74 million and ₹421.36 million, respectively, on advertising and sales promotion. Our marketing schemes vary as per occasion, season and the needs of our customers and are tailored to befit occasions such as weddings, anniversaries, birthdays and Valentine's Day, when people customarily buy jewellery. '*Diwali*' and '*Dhanteras*' are two of the biggest jewellery buying festivals, during which season we generally record high sales. We capitalise on '*Akshay Tritiya*' or new years of various states such as West Bengal, Odisha and Maharashtra to promote sales. We also provide sales promotional offers on our jewellery during local and regional festivals such as '*Rath Yatra*', '*Ganesh Chaturthi*', '*Teej*', '*Bihu*' and '*Durga Puja*', amongst others, in order to achieve higher than normal sales during these festivals. In addition to these local and regional festivals, special offers and new collections are launched around occasions such as Valentine's Day, mother's day, father's day and women's day, amongst others. We also endeavour to build marketing campaigns around the wedding season in India, particularly with our light weight gold jewellery. Having set up our *Everlite* and *Gossip* collections, we aim to cater to the younger generation and the 'middle-class' of India by building brands with a smaller average product price. As a part of our marketing initiatives, we have corporate tie-ups with the Kolkata Knight Riders cricket team and with various other events, including a national beauty pageant. We have appointed Vidya Balan, actress, and Sourav Ganguly, ex-cricketer, as brand ambassadors to enhance our brand presence and market our products. We have implemented a loyalty program with over 200,000 of our customers; and have entered into an agreement with Capillary Technologies to facilitate the loyalty program for these customers.

We stringently follow the hallmarking process for all our jewellery. In addition, all our diamond jewellery is certified by Solitaire Gemological Laboratory. Loose diamond stock is regularly assessed for valuation so as to derive greater transparency to our business.

Most of the gold used as raw material by us is sourced by way of gold loan facilities offered by banks. We follow a procurement policy aimed at de-risking the business from gold price fluctuations by sourcing gold for our manufacturing operations under the gold loan facilities offered by banks. Under such arrangements, the price of gold purchased is not fixed on procurement, but rather within the applicable credit period, thereby minimizing any risk to us relating to gold price fluctuations between the time of procuring the raw material and selling the finished product to our customers. Our loose diamonds are mostly procured from reputed sightholders; and the manufacturing is carried out either by the skilled *Karigars* in West Bengal for hand made products or by organised manufacturers in Mumbai or Coimbatore.

As on the date of this Draft Red Herring Prospectus, we have two manufacturing facilities. Our manufacturing facility located at Rabindra Sarani, Kolkata, West Bengal majorly caters to domestic sales and our manufacturing facility in the "Manikanchan" special economic zone caters to our export sales. Further, we are in the process of setting up another manufacturing facility at the Gems and Jewelry Park, Ankurhati, Domjur in Howrah, West Bengal.We make wholesale exports of our jewellery primarily to the Middle East, Malaysia and Singapore.

As at June 30, 2018, we had 1,290 employees. In addition, we have outsourced security personnel and housekeeping staff of whom we appoint on a contract labour basis. Our revenue from operations increased to ₹22,140.14 million in Fiscal 2018 from ₹15,315.19 million in Fiscal 2016, and our profit for the year increased to ₹728.06 million in Fiscal 2018 from ₹ 154.87 million in Fiscal 2016. Our revenue from operations has increased at a CAGR of 20.23% from Fiscal 2016 to Fiscal 2018 and our profit for the year has increased at a CAGR of 116.82% from Fiscal 2016 to Fiscal 2018.

Competitive Strengths

We believe that we are well-positioned to capture market opportunities and benefit from the expected growth in the jewellery market in India through our competitive strengths, which principally include the following:

We have a long history and a strong brand name

We believe that we have developed "Senco Gold & Diamonds" as a strong brand in our markets in East and North-East India, as a jewellery retailer with a wide range of gold, silver and diamond jewellery products. We believe our more than five decade track-record evokes consumers' trust in our products. We have been awarded "Best Capital Management" award by Business India publication in 2015, the 'Iconic brand of India' award by Economic Times in 2016-17 and 'Gems of India' award by All India Gems and Jewellery Federation in 2015-16; the 'Leading retailer of India' by UBM in 2016 and 2014 and also the 'Social Responsible Jewellery Award' by All India Gujarat Jewellery Federation in 2015-16. Further we have been ranked as "India's 5th Most Attractive Jewellery Brand" by India's Most Attractive Brands 2017 and "India's 5th Most Trusted Jewellery Brand" by The Brand Trust Report, India Study 2016. We believe that our focus on quality, craftsmanship and original designs, together with our targeted marketing and customer service, has contributed to our strong brand recognition and customer loyalty. As a part of our marketing initiatives, we have corporate tie-ups with the Kolkata Knight Riders cricket team and with various other events, including a national beauty pageant. We also engage celebrities from time to time, such as Sourav Ganguly, ex-cricketer and Vidya Balan, actress, as brand ambassadors to enhance our brand presence and market our products. Additionally, we have implemented a loyalty program with over 200,000 of our customers; and have entered into an agreement with Capillary Technologies facilitate the best program for these customers.

We are the largest organized jewellery retail player in the eastern region of India based on number of stores (Source: CRISIL Report) with an expanding national footprint.

Our oldest operational showroom is located in the Bowbazar area of Kolkata, where we have been present, through Senco Jewellery Museum (a family run proprietary concern), for over five decades. From our roots in Kolkata, West Bengal, we have strategically expanded our presence to 14 states across India. As on the date of this Draft Red Herring Prospectus, we have 48 Company Operated Showrooms and 45 Franchise Showrooms located across 72 cities and towns in India with an aggregate area of approximately 255,284 sq. ft. Out of our 93 showrooms, 60 are in West Bengal, with an aggregate area of approximately 155,777 sq. ft.; six are in Uttar Pradesh, with an aggregate area of approximately 16,187 sq. ft.; five are in Odisha, with an aggregate area of approximately 22,064 sq. ft.; four are in Jharkhand, with an aggregate area of approximately 12,751 sq. ft.; three each are in Karnataka, Maharashtra and Assam, with an aggregate area of approximately 6,227 sq. ft., 6,050 sq. ft. and 8,237 sq. ft., respectively; two each are in Bihar and Delhi, with an aggregate area of approximately 6,186 sq. ft. and 7,213 sq. ft., respectively; and one each in Haryana, Chhattisgarh, Madhya Pradesh, Telangana and Tripura, with an aggregate area of approximately 4,769 sq. ft., 3,500 sq. ft., 750 sq. ft., 4,250 sq. ft. and 1,323 sq. ft., respectively.

In line with our expansion strategy, while entering new state geographies, we endeavour to register our presence in the state capital or the largest city in the state before venturing into tier II and tier III cities in such state, primarily through franchise outlets in order to leverage logistical efficiency of inventory and return on capital. We believe that this approach has enabled us to become a well-established name for jewellery, particularly in East and North-East India.

Strong 'Company Operated Showroom' base complemented by an established asset-light 'franchise' model leading to operating leverage.

We have demonstrated asset light growth by way of our 'franchise' model, which supports our 'own showroom' base. Our showroom count has increased from 20 Company Operated Showrooms and 31 Franchise Showrooms as on March 31, 2014 to 45 Company Operated Showrooms and 45 Franchise Showrooms as at March 31, 2018. The addition of 25 Company Operated Showrooms (net) during such period resulted in revenues of ₹16,234.51 million and capital expenditure of ₹354.74 million as compared to an increase of 14 Franchise Showrooms (net) over such period which resulted in revenues of ₹7,773.38 million and without any capital expenditure. Accordingly, while our margins from our Franchise Showrooms are typically lower that the margins at our Company Operated Showrooms, the reduced setup cost of the Franchise Showrooms along with the immediate transfer of inventory ensures that the 'franchise' model continues to propagate asset-light growth for us, with minimum capital layout.

We use a 'hub and spoke' approach to enter new geographies; which means that we typically foray into large or new cities by way of our Company Operated Showrooms and then leverage our 'franchise' model to further penetrate into the smaller tier II and tier III cities. For instance, in April, 2012 and October 2015, we set up our first and second Company Operated Showrooms, outside the state of West Bengal in the state of Odisha, in its capital city of Bhubaneshwar and in Cuttack; post which, in October 2016, September 2017 and November 2017, we entered into franchise agreements to set up Franchise Showrooms in Berhampur, Balasore and Bhadrak, respectively, which are smaller cities in the state. Such a setup enables us to balance risk and transfer the cost of inventory to our franchise partners. In our 'franchise' model, management know-how is provided by us to the franchisee partner together with the "Senco Gold & Diamonds" brand. Inventory is traded against receipt of funds in advance for a majority of the sales made to our Franchise Showrooms. At times, due to a spurt in demand, we may offer credit facilities to our Franchise Showrooms. Even within our 'franchise' model, we evaluate both 'franchise owned, franchise operated' as well as the 'franchise owned, company operated' models, based on the location and market potential of the showroom. As on the date of this DRHP, out of our 45 Franchise Showrooms, 42 are 'franchise owned, franchise operated' and 3 are 'franchise owned, company operated'. Our first franchisee agreement was signed in the year 2000 and since then we have maintained a cordial relationship with our franchise partners, which has also resulted in opening of multiple "Senco Gold & Diamonds" showrooms by the same franchisee partner.

Differentiated focus on light, affordable jewellery with the intention to cater to the middle class and younger generation.

Our wide range of product offerings caters to diverse customer segments. In particular, we strive to cater to the middle class and younger generation. Accordingly, our product range, for light and affordable jewellery starts at approximately ₹1,000.

In particular, we have developed two specific ranges/ brands to target these demographics. Our *Everlite* collection of light-weight gold and diamond jewellery varies from ₹3,000 to ₹50,000 and is targeted at the 'middle class'. The products offered under this line are theme based as per different tastes of the customers. Our Gossip collection caters to the silver and costume jewellery needs of our younger customers. This fast-moving, fashionable and easy-to-wear jewellery gives our customers freedom to change their jewellery with varying clothes preferences at different occasions. Our Gossip collection is made of sterling silver or base metal with precious and semi-precious stones.

In addition to expanding our *Everlite* collection (which is specifically focused on light weight gold and diamond jewellery) and our *Gossip* collection (which is focused on costume jewellery), we have entered into an agreement with Forevermark Limited for supply of diamonds and sale of 'Forevermark' branded jewellery through certain of our showrooms, to increase the percentage of our revenues from diamond sales. Our focus on diamond jewellery sales results in higher profit margins for our products. In Fiscals 2018, 2017, 2016, 2015 and 2014, sale of diamond jewellery and precious/semi-precious stones represented 5.07%, 4.44%, 4.66%, 3.68% and 2.60% respectively, of our revenue from operations.

We believe that our focus on design and innovation, our ability to recognize consumer preferences and market trends, the intricacy of our designs and the quality and finish of our products are our key strengths. We have a wide range and variety of products and have been able to demonstrate our ability to recognise trends in the jewellery industry in order to cater to our customers. In addition, our access to a wide range of skilled local *Karigars* from West Bengal allows us to offer a diverse product range, catering to changing consumer demands.

Established Systems and Procedures

We have established systems and procedures for inventory management, staffing, management processes and the implementation of current and long-term objectives. Our operational processes are set forth in an operating manual which has been documented by a global consulting firm.

Efficient Inventory Management

Our inventory for both our Company Operated Showrooms and our Franchise Showrooms is bar-coded and monitored and controlled through Microsoft Dynamics AX ERP. Our inventory for each showroom is planned at the beginning of each year in amounts and quantity determined to achieve the desired sales and inventory turnover. Showroom managers can track the movement of daily sales through reports from business intelligence tools by Microsoft; and accordingly place orders for jewellery replenishment. As part of our inventory management, we also rotate jewelleries among different showrooms in an effort to increase inventory turnover and make void accumulation of slow moving stock at certain locations. Our head-office procurement team confirms the order and instructs our vendors and *Karigars* to manufacture as per requirement of the showroom report to fill the gap.

Strong Technology Architecture

We have implemented Microsoft Dynamics AX ERP software across all showrooms and offices in order to maintain greater control over business operations such as inventory management, accounting, logistics management and customer data storage, amongst others. The software allows for connectivity across all our showrooms and offices and transfers data seamlessly, allowing our management team to obtain updated information. We also have backup support for all systems, and our data base is protected by high security protocol.

Quality Control

We stringently follow the hallmarking process for all our jewellery. In addition, most of our diamond jewellery is certified by Solitaire Gemological Laboratory. Loose diamond stock is regularly accessed for valuation to derive greater transparency to our business.

Procurement advantage

Our operations integrate our sourcing, manufacturing, retail and export sales, to provide us with several competitive advantages, including the ability to adjust our product range to continuously address shift in customer preferences and changes in demand.

One of our key strengths lies in the meticulous craftsmanship of our Bengali *Karigars*. A significant portion of the manufacturing of our jewellery is carried out by over 100 experienced *Karigars* in Kolkata, West Bengal under Karigar Agreements. The *karigars* employed by our Company are renowned for their exquisite and artistic work in carving and processing of plain gold, studded gold, platinum and diamond ornaments. Our presence in West Bengal allows us to access quality craftsmen, who have been working with our Company for a number of years. We believe that our scale of operations enables us to commit significant volumes of work to *Karigars*; which in turn enables them to offer quality finished products to us at competitive prices. Additionally, we believe that this ensures that the *Karigars* devote a significant portion of their time towards fulfilling commitments to our Company.

Most of the gold used as raw material by us is sourced by way of gold loan facilities offered by banks. We follow a procurement policy aimed at de-risking the business from gold price fluctuations by sourcing gold for our manufacturing operations under the gold loan facilities offered by banks. Under such arrangements, the price of gold purchased is not fixed on procurement, but rather within the applicable credit period, thereby minimizing any risk to us relating to gold price fluctuations between the time of procuring the raw material and selling the finished product to our customers. Our diamonds are mostly procured from diamond traders and sightholders; and the manufacturing is carried out either by the skilled *Karigars* in West Bengal for hand made products or by organised manufacturers in Mumbai or Coimbatore.

Security Systems

To provide transparency of inventory of our diamonds we also get the loose diamond stock valued by by Solitaire Gemological Laboratory. At the end of every day, the entire stock at each of our showrooms is shifted to a secure strong room within the showroom. Additionally, all of our showrooms are equipped with CCTV cameras. Further, we have entered into agreements with security agencies for providing security services at all of our showrooms, which include gunmen positioned at the showrooms around the clock. Lastly, our block insurance policy helps mitigate the risk of theft, fire or other damage to the inventory at our showrooms.

Comprehensive Corporate Planning and Budgeting

We have a well-defined corporate plan as well as an annual budgeting process. The annual budgeting process is designed to achieve functional and divisional goals and profitability for the year. Our annual budget also accounts for new showroom expansion plans and estimated revenue expected to be generated from such new showrooms and rational allocation of expenditure for existing and projected showrooms with a level wise approval process for any expenditure above the budgeted plan. The estimated budget is reviewed every quarter and revised as per the business exigencies.

Experience of our Promoters and strong management.

We believe that we are well guided, and continue to be led by a strong, highly qualified, experienced, and reliable management team. To ensure that we are led by a right mix of professionals from various fields, our corporate setup has been appropriately balanced to include management and other professionals.

Our Promoters, being involved in the jewellery business in India for more than three decades, have an established track record and extensive experience in the jewellery industry. Our Promoters are actively involved in our operations and bring to our Company their vision and leadership, which we believe has been instrumental in sustaining our business operations.

Our Managing Director, Sankar Sen has over 35 years of experience in the jewellery industry. At present Sankar Sen is part of the governing board of directors of All India Gems and Jewellery Domestic Council. For further details, see "*Our Management – Board of Directors – Brief Biographies of Directors*" on page 154. Our executive Director, Suvankar Sen, is a fourth generation promoter of our Company. He holds a post-graduate diploma in business management from Institute of Management Technology, Ghaziabad and has over a decade of experience at our Company. For further details, see "*Our Management – Board of Directors – Brief Biographies of Directors*" on page 154.

Business Strategies

The key elements of our business strategy are as follows:

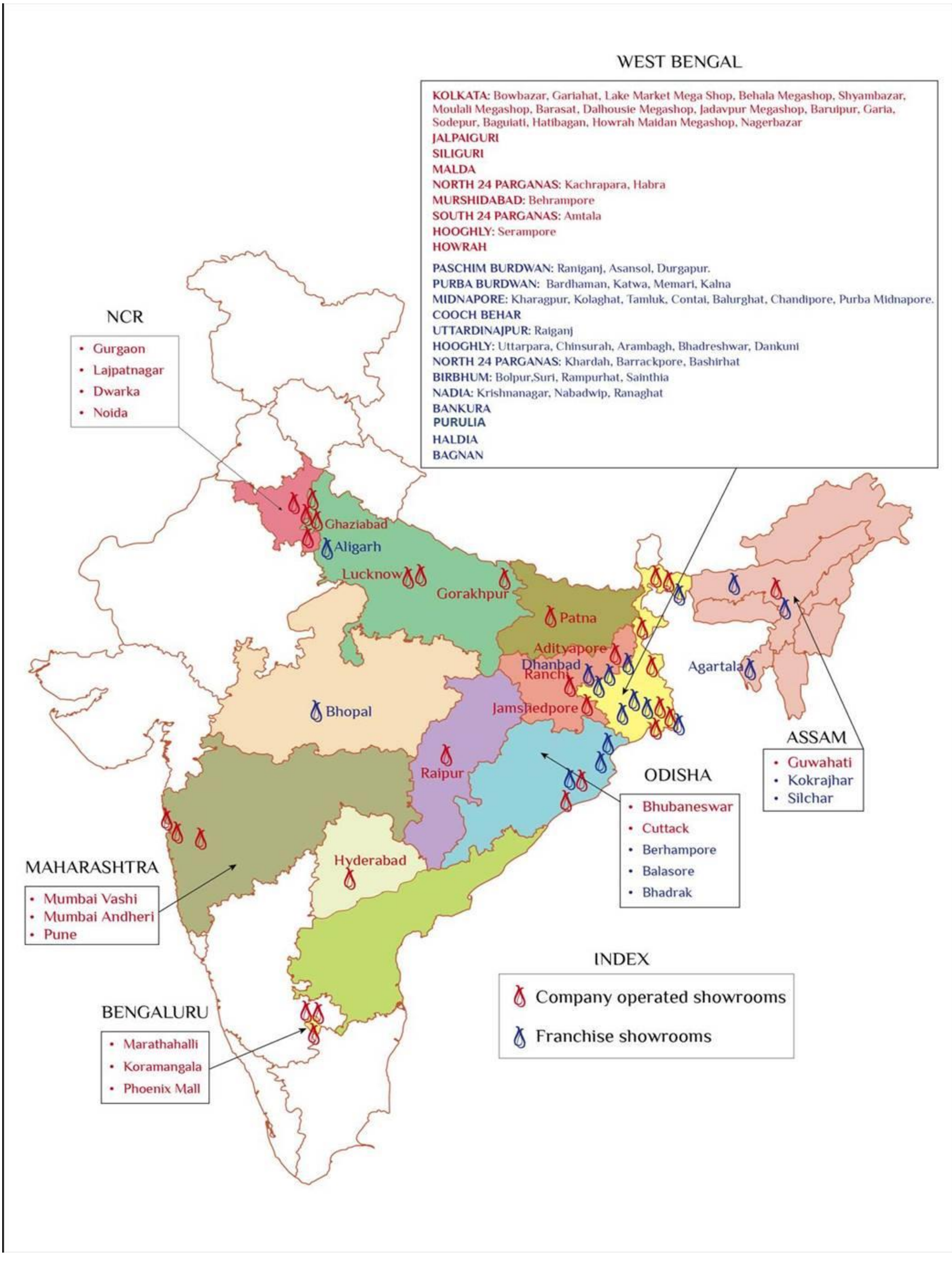
Further expand our retail and franchise network.

Our operating model comprises a mix of our Company Operated Showrooms as well as Franchise Showrooms. Of our 93 showrooms, 48 are Company Operated Showrooms and 45 are Franchise Showrooms. We use a 'hub and spoke' approach to enter new geographies; which means that we typically foray into large or new cities by way of our Company Operated Showrooms and then leverage our Franchise Showrooms to further penetrate into the smaller tier II and tier III cities/towns within such geography. For instance, in April, 2012 and October 2015, we set up our first and second Company Operated Showrooms in the state of Odisha, in its capital city of Bhubaneshwar and in Cuttack; post which, in October 2016, September 2017 and November 2017, we entered into franchise agreements to set up Franchise Showrooms in Berhampur, Balasore and Bhadrak, respectively, which are smaller cities in the state.

We intend to leverage the "Senco Gold & Diamonds" brand by opening approximately 73 additional showrooms (including 37 Company Operated Showrooms and 36 Franchise Showrooms) by the end of Fiscal 2021, in accordance with our business plan that was adopted by our Board on July 23, 2018, which would give us a total of 166 showrooms. As part of this strategy, we intend to use ₹355.88 million from the Net Proceeds to open 28 new Company Operated Showrooms during Fiscal 2019, 2020 and 2021. For further details, see the section titled "*The Objects of the Issue – Details of the Objects*" on page 93.

Prior to choosing the proposed locations for our new showrooms, whether it is our own or based on the franchise model, we conduct an analysis on the market in each location. Post such analysis, we decide if a high street showroom or a showroom in a mall should be set up. We generally aim to enter jewellery markets where we can potentially gain market share from local jewellers by carving a niche through offering a diverse product mix, designs and price structure and utilizing our name and goodwill, which was established over our more than five decade long history. To test each potential location, we conduct exhibitions to identify market potential as well as opportunities for us to sell across all product categories. We also form two groups (the first of which analyses potential locations and markets, while the other considers the product mix for such location), each consisting of staff members from our existing showrooms, to conduct detailed market surveys in each potential location. Feasibility factors include the estimated size of jewellery sales in the targeted market and the sales mix of different products and the potential for growth in each category, market share of potential competitors in the target market and availability of labour and staffing resources.

The map of India below shows the locations of our current showrooms:



Focus on catering to the younger generation and the 'middle-class' India.

We believe that the branded jewellery segment of the jewellery industry in India provides significant growth opportunities. We believe that India's growing middle class, increasing per capita income, increase in the number of working women and increase in discretionary spending among generation in India in recent years has led to a significant increase in demand for jewellery products by these demographics.

Having set up our *Everlite* and *Gossip* collections, we aim to cater to the younger generation and the 'middle-class' of India by building brands with a smaller average product price. Our *Everlite* collection offers designs in gold and diamond jewellery, with the average price of ornaments starting at ₹3,000 and going up to ₹50,000. We aim to have separate *Everlite* counters at each of our showrooms. Similarly, our *Gossip* collection of costume and silver jewellery also merits separate counters within our showrooms. The designs created under these collections are targeted at casual and work attire. We are also in the process of developing a strategy to set up *Everlite* pop-up shops in malls. We believe that our presence in malls will help us achieve our focus on catering to the younger generation and the 'middle-class' India. Further, through *Everlite* and *Gossip*, we intend to build-up our digital presence by developing websites and cataloguing products, in line with our strategy on catering to younger generations. We also intend to continue to focus on our light-weight gold jewellery wedding collection as this too is specifically targeted at the younger generation and 'middle-class' India, and build an omni-channel model.

Leverage technology to enhance operational efficiency.

We aim to establish ourselves in the digital space through our online platforms as well as through online marketplaces. With the increasing use of the internet in India and the continued development of online channels, we believe that we will be able to expand our customer reach and increase our sales through the digital channel with relatively low investments. In addition, we believe that we can enhance our brand awareness among internet users and cater to a wider customer segment. We have launched our online platform, www.sencogoldanddiamonds.com through which we offer our jewellery products and gold coins to a diverse range of customers. Further, we have started selling our products on websites of various e-commerce aggregators. This helps us extend our reach to geographies beyond where we have Company Operated Showrooms and Franchise Showrooms. Our strategy is to increase our business through the digital platform and leverage our manufacturing capability on creation of an asset light sales channel thereby offering a seamless combination of both offline and online buying choice for customers.

Further, we plan to leverage our existing technology to enhance our operational efficiency by:

- using an algorithm based program for forecasting, planning and efficiency; to help in better stock planning at showrooms and selection of fast moving designs and products thereby increasing overall efficiency, and supporting our merchandising team for faster operational efficiency and decision making.

- utilizing the CRM (customer-relationship-management) platform of Microsoft dynamics for full usage of customer data and thus leverage technology through target marketing by understanding specific preferences of target customers and communicating relevant marketing content to specific section of target customers.

Continue to increase focus on sale of fast-moving diamond jewellery

We continue to increase our focus on diamond jewellery, as this typically involves higher gross margins than other types of jewellery according to CRISIL Report. In Fiscals 2018, 2017, 2016, 2015 and 2014, sale of diamond jewellery and precious/ semi-precious stone represented 5.07%, 4.44%, 4.66%, 3.68% and 2.60%, respectively, of our revenue from operations. We believe that consumer demand for diamond jewellery in India has increased at relatively higher rates compared to the demand for gold jewellery. We intend to further increase diamond jewellery sales as a portion of our overall sales, and thereby attempt to increase our overall profit margins. We intend to increase light-weight diamond jewellery sales through various initiatives such as the introduction of our own branded jewellery lines, *Everlite* tie-ups with international players such as Forevermark, development of light-weight products with competitive pricing, increasing our range of diamond jewellery to cater to customer segments such as younger generation and 'middle-class' of India, and advertising and promotional campaigns focused on diamond jewellery. In addition, consistent with our focus on increasing sales of diamond jewellery, our showroom set-up ensures increased visibility for our diamond jewellery, including by way of separate display counters for our *Everlite* collection. In line with this strategy, we also aim to reduce the holding period of our inventory by improving operational efficiency.

Continue to invest in our marketing and brand building initiatives.

Our marketing and promotion efforts seek to increase sales by building brand awareness that stimulates interest in our product range; and strengthening our position in the Indian jewellery industry. The key marketing channels that we use on an ongoing basis include customer advertisements with specific coverage in local lifestyle, fashion magazines and events, newspapers, outdoor billboards and signage, online/ digital and television advertisements and BTL marketing activities like in-store customer engagement programmes, spreading awareness through leaflets inserts in local newspapers and use of marketing collaterals like posters, banners and tent cards. We believe that our focus on quality, craftsmanship and original designs, together with our targeted marketing and customer service, has contributed to our strong brand recognition and customer loyalty. We have implemented a loyalty program with over 200,000 of our customers; and have entered into an agreement with Capillary Technologies to facilitate the best program for these customers. As a part of our marketing initiatives, we have corporate tie-ups with the Kolkata Knight Riders cricket team and with various other events, including a national beauty pageant. We also engage celebrities such as Sourav Ganguly and Vidya Balan as brand ambassadors to enhance our brand presence and market our products. Going forward, our strategy is to increasingly market our products to millennial customers through digital media, such as social media websites. We believe our branding strategy helps us to retain existing customers and attract new customers. We intend to continue investing in our marketing initiatives and brand building exercise, including advertising through various media. We also continue to provide effective training for our sales personnel in sales techniques and product knowledge. We believe that effective marketing is important for future revenue growth, enhancing our brand visibility, to establish relationships with target customers and to sell our products in a competitive cost-effective manner.

Our Operations

Showrooms

We operate through our Company Operated Showrooms and Franchise Showrooms. As on the date of this Draft Red Herring Prospectus we have 48 Company Operated Showrooms and 45 Franchise Showrooms.

Company Operated Showrooms

The table below sets out the number of Company Operated Showrooms over the last five Fiscal Years:

Particulars	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014
Number of showrooms at the beginning of the year	44	36	28	20	18
Number of showrooms added during the year	4	8	9	8	2
Number of showrooms closed during the year	3	0	1	0	0
Number of showrooms at the end of the year	45	44	36	28	20

Three Self-Owned Showrooms were opened by our Company post March 31, 2018.

Franchise Showrooms

From time to time we enter into Franchise Agreements with our franchise partners, post which Franchise Showrooms are allowed to operate. A brief description of the franchise agreements entered into between us and each of our franchise partners is set out below:

Our Company, in its ordinary course of business, enters into franchise agreements with various third parties, for the retail sale of our jewellery products. As on the date of this DRHP, 42 of our Franchise Showrooms are operated by franchisee partners ("**FOFO**"), whereas three of our Franchise Showrooms are operated by our Company ("**FOCO**"). Typically, under our FOFO agreements, the franchisees are given the right to operate showrooms and to use our Company's trademarks for an initial period of five years and our Company has an option to renew these franchisee agreements upon expiration, for an additional period of five years, whereas under our FOCO agreements, the term of the agreement is 15 years, consisting of a minimum lock-in of three years from the dates of execution of the agreements. Under our FOCO agreements, the Company will deploy personnel at the showrooms including the showroom manager as opposed to that under a FOFO agreement where they are appointed by the franchisee. Our obligations under the agreements usually include, amongst others, supplying jewellery at the prevailing market rate in a timely manner and conducting marketing and advertising campaign to increase consumer awareness. Under the agreements, the franchisees are required to, amongst others, maintain insurance for risks, obtain licenses and comply with applicable laws and maintain sufficient inventories. Further, our franchisees are required to pay a fixed amount as signing fees and a further amount as a security deposit. Our franchisees are also required to meet purchase targets as agreed with our Company. Our franchisees are also required to pay 100% advance for the procurement of stock except for procurement of stock for the first time. We have a customer buy back / exchange policy which the franchisees need to follow in the event of customer returning the products for exchange or for cash back. We also have a return and exchange policy as per which the franchisee can exchange or return products to our Company. The franchisees are required to abide with our Company's margin policy for its overall margins and pricing of the products, but the resale price of products is at the discretion of our Company. Credit is extended to our franchisee partner on a case-to-case basis based on the potential of the market, financial capability of franchisee partner and seasonal upheaval of demand for the particular showroom.

The table below sets out the number of Franchise Showrooms over the last Five Fiscal Years.

Particulars	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014
Number of showrooms at the beginning of the year	40	37	33	31	26
Number of showrooms added during the year	7	6	4	2	5
Number of showrooms closed during the year	2	3	0	0	0
Number of showrooms at the end of the year	45	40	37	33	31

One Franchise Showroom was opened by our Company post March 31, 2018; and one Franchise Showroom was coverted to a Company Operated Showroom by our Company post March 31, 2018.

Products

We primarily sell gold, diamonds, studded gold jewellery, jewellery made of silver, and platinum, gold and silver coins. We also sell other products like costume jewellery and utensils made of silver. In these categories, we offer wedding jewellery, festival jewellery, daily wear jewellery, men's jewellery, kid's jewellery and jewellery for personal occasions. We offer a wide variety of jewellery options, including rings, earrings, pendants, bracelets, necklaces, chains and bangles.

Our products represent designs from a wide range of cultures from traditional Indian design to Indo-western and Western designs. Our products also reflect specialised design elements from Kolkata. We offer our products across a wide range of price points. This wide range of products allows us to cater to different socio-economic classes across varied markets. Kolkata craftsmanship, and in particular that of the *Karigars* engaged by us, is popular for intricate *filigree* work and workmanship with thin gold wires and small beads. It is also known for its *nakashi* workmanship with etching and curving in gold.

Everlite Collection:

Our light-weight gold and diamond collection starts from ₹3,000 and goes up to ₹50,000. The products offered with various collections named Venus, Cindrella, Wood, Shell, Kite, Lubdub, Tribe, Denim, Magnificience, Colours and Floral. The objective of such various collections is to facilitate regular usage of jewellery which is inspired from nature or geometrical shapes. For instance, our wood and shell collection is inspired from nature using natural elements. Additionally, our 'Lubdub', 'Venus' collection includes diamond jewellery products for the daily use. Our 'Cinderella' range is meant to be multi-purpose jewellery.

Gossip Collection:

To cater to the silver jewellery needs of our customers, we have launched our 'Gossip' collection for fast-moving, fashionable and easy-to-wear jewellery. This gives our customers freedom to change their jewellery with varying clothes preferences at different occasions. Our 'Gossip' collection is made of sterling silver or base metal with precious and semi-precious stones. Additionally, we have an ingredient branding tie-up with global product brand, Swarovski Zirconia in respect of silver jewellery and offer special designs.

Jewellery Design

We have a dedicated design team, comprising 12 designers as on June 30, 2018. All of our designers are focused on developing new products and designs that meet customers' requirements. We also customize jewellery for individual needs.

Manufacturing of Products

Outsourced Manufactured Products

We pay making charges and supply gold to manufacturers (*karigars*) who manufacture gold jewellery to either our designs or to designs approved by us. The manufacturing of our jewellery is carried out by over 100 experienced *Karigars* in Kolkata, West Bengal at their work shop under Karigar Agreements. Our presence in West Bengal allows us to access quality craftsmen, who have been working with our Company for a number of years. We believe that our scale of operations enables us to commit significant volumes of work to *Karigars*; which in turn enables them to offer quality finished products to us at competitive prices. Additionally, we believe that this ensures that the *Karigars* devote a significant portion of their time towards fulfilling commitments to our Company.

A brief description of the Karigar Agreements entered into between us and each of the *Karigars* that we work with is set out below:

Karigar Agreements are entered into with local, experienced, craftsmen/artisans (generally termed *karigars*) for manufacturing, carving and processing of jewellery/ornaments from, amongst others, gold, platinum, diamond, silverware, other precious and semi-precious stones and metals and any other material that may be required by a *Karigar* to prepare finished products including 24 carat gold, diamond, 999 silver and real gemstones is supplied by our Company ("**Raw Material**"). The craftsmen use their expertise to process the Raw Material to make finished products as per the specifications of our Company. The rates of making-charge and wastage are fixed by our Company on a case to case basis for the *Karigars* and payments are typically made to such *Karigars* by our Company within 30 days of the date of an invoice. The *Karigars* are typically required to supply products within 10 to 20 days from the date of receipt of order for plain jewellery and within 9 to 45 days from the date of receipt of order for studded jewellery. The tenor of the agreements usually varies from 6 months to 2 years and are renewable at the option of our Company on such terms and conditions as may be mutually agreed between the parties.

In-house manufactured goods

As on the date of this Draft Red Herring Prospectus, we have one manufacturing facility located at Rabindra Sarani, Kolkata, West Bengal and we have also established a manufacturing facility in the "Manikanchan" special economic zone in relation to our export sales. We make wholesale exports of our jewellery primarily to the Middle East, Malaysia and Singapore to institutional clients. Further, we are in the process of setting up another manufacturing facility at the Gems and Jewelry Park, Ankurhati, Domjur in Howrah, West Bengal.

Procurement of Ready-Made Products from Third Parties

We procure ready-made jewellery products from over 80 different vendors in different regions in Gujarat, Maharashtra and West Bengal.

Manufacturing process

We are engaged in the complete value chain of the manufacturing process from designing of jewellery to selling of finished products. In order to manufacture the jewellery sold in our showrooms, we are involved in designing of jewellery, procurement of raw materials and quality control of the finished products received. We engage with and pay making charges and supply gold to *Karigars* who manufacture gold jewellery to either our designs or to designs approved by us. The manufacturing of our jewellery is carried out by over 100 experienced *Karigars* in Kolkata, West Bengal at their work shop under Karigar Agreements.

Procurement of Materials

Raw materials, which we use for our manufacturing purposes, include gold, silver, platinum, alternate metals, diamonds and precious/ semi-precious stones like rubies, emeralds and sapphires. During Fiscals 2018, 2017, 2016, 2015 and 2014 the cost of gold bars consumed represented 91.41%, 95.87%, 95.87%, 95.63% and 99.75% of our total cost of materials consumed, respectively. We purchase gold bars from authorised bullion dealers and banks. We endeavour to buy the same quantity of gold during a period to match the amount of gold we sold during that period. This reduces our exposure to the volatility in the price of gold.

Our diamonds are mostly procured from diamond traders and sightholders; and the manufacturing is carried out either by the skilled *Karigars* in West Bengal for hand made products or by organised manufacturers in Mumbai or Coimbatore.

Quality Assurance

We have a stringent quality control process throughout our operations, from the point of procurement of raw materials to the sale of the finished products in our showrooms. Before gold jewellery is sent to a showroom, it must pass through two quality control checkpoints, one internal and one external. Our internal quality control department comprises 14 people as on June 30, 2018. This department uses a XRF machine to check the purity and the finish of the jewellery. Upon completing these checks, the jewellery is then sent to a government approved hallmarking centre for hallmarking in accordance with BIS norms.

All loose diamonds, precious and semi-precious stones are tested in our internal laboratory to check the quality. All our diamond products are certified by an accredited laboratory. Once we receive completed jewellery from the manufacturers (*karigars*), we again check the quality of gold, diamonds and gemstones. Our quality control department also checks the finishing of the design at this time. In addition, all our diamond jewellery is certified by Solitaire Gemological Laboratory. Only upon passing all quality checkpoints will a piece of jewellery be distributed to one of our showrooms.

Inventory Management

We have an efficient inventory management system. Our inventory is bar-coded and monitored and controlled through Microsoft Dynamics AX ERP. Our inventory for each showroom is planned at the beginning of each year in amounts determined to achieve the desired sales and inventory turnover. As part of our inventory management, we also rotate jewellery between different showrooms in an effort to increase inventory turnover and avoid accumulation of slow moving stock at certain locations.

Our logistics team comprises 12 people, as on June 30, 2018. Before transporting any jewellery, at least 5 members of our logistics team must check the products to be sent against the appropriate transfer documentation. Once the product is ready for transport, it is picked up and delivered by a secure logistics service provider.

Corporate Planning and Budgeting

We have a well-defined five-year corporate plan as well as an annual budgeting process. The annual budgeting process is designed to achieve functional and divisional goals and profitability for the year. We start the budget preparation process by reviewing our past sales performance, competitors' activities, customer reactions to prior marketing campaigns and product category performances and estimated demand. We then analyze the data in order to draw conclusions on our performance, and then we work out our sales objectives for the next financial year with a focus on same showroom sales growth by increasing footfalls, increasing footfall conversion and increasing average ticket size.

Sales and Marketing

Sales

We sell our products, through 48 of our Company Operated Showrooms and 45 Franchise Showrooms, in the trade name of "Senco Gold & Diamonds". A majority of our showrooms are located in the East and North-East of India. Presently, we operate 60 showrooms in West Bengal; six in Uttar Pradesh, five in Odisha, four in Jharkhand, three each in Karnataka, Maharashtra and Assam, two each in Delhi and Bihar, and one each in Telangana, Chhattisgarh, Haryana, Madhya Pradesh, Tripura.

We are in the process of ensuring that our showrooms follow a standard operating procedure, which focuses on imparting high standard of ambience with converting footfalls into customers. Our training programmes are designed to increase the efficiency of our sales teams and to increase conversion ratios and ticket sizes.

We track our sales on a daily basis using Microsoft Dynamics AX ERP. We analyse our sales figures against an annually established sales target and track any variances.

Marketing

Our marketing schemes vary as per occasions, seasons and needs of the customer. The marketing activities are either brand driven campaign or sales promotional tactical campaigns. 'Diwali' and 'Dhanteras' are the biggest jewellery buying festivals, during which season our sales and marketing efforts generally spike. We capitalise on 'Akshay Tritiya' or new years of various states such as West Bengal, Odisha and Maharashtra to promote sales. We also have offers on our jewellery during local and regional festivals such as 'Rath Yatra', 'Ganesh Chaturthi', 'Teej', 'Bihu' and 'Durga Puja', amongst others. In addition to these local and regional festivals, offers and new collections are launched around occasions such as Valentine's day, mother's day, father's day and women's day, amongst others. Marketing efforts such as discounts, gifts and lucky draws are offered during such festive periods. We also endeavour to build marketing campaigns around the wedding season in India.

Additionally, we focus on sales of light-weight jewellery through our brand, Everlite. We launch new designs and collections of light-weight jewellery ranging from rings to earrings, pendants and chains. We have also introduced our brand Gossip for catering to the silver jewellery demand from our younger customers. We also conduct customer relationship management activities by using a software called Capillary, which analyses data pursuant to which campaigns are targeted at our customers.

As a part of our marketing initiatives, we have corporate tie-ups with the Kolkata Knight Riders cricket team and with various other events, including a national beauty pageant. As on the date of this Draft Red Herring Prospectus, we have engaged Sourav Ganguly and Vidya Balan to market our brand and products. We have, in the past, also entered into agreements with movies for marketing of our products both regionally and nationally. Further, we facilitate a loyalty membership program which has been running for last 15 years. Presently, our loyalty program reaches over 200,000 of our customers; and we have entered into an agreement with Capillary Technologies to facilitate the best program for these customers. Customers are also offered bespoke design, customization, and exchange of old gold jewellery by computer testing.

Customer Service

We are focused on building our business through customer-centric operations. A guiding principle of our Company has always been to understand customer requirements, learn the customer trends, and give the customers exactly what they want.

In order to deliver strong customer service, our sales teams have been trained to educate the customer as to the details of their potential jewellery purchase. We believe this allows the customer to make an informed choice they will be satisfied with. We also cater to any customer's desire for personalized jewellery and have employed designers to create designs to meet customers' personal specifications. We have a dedicated team for customer care that have a central reporting system for all complains/ feedbacks of customers either through helpline or social media, emails. We use an advanced Microsoft CRM (customer-relationship-management) software which allows customers to record complains or provide feedback. We also engage dedicated customer care executives at most of our showrooms to ensure customer satisfaction.

Security

To minimize shrinkage, we have instituted stringent controls and mechanisms to monitor the movement of the jewellery within the showroom as well as during external transportation. Our operation manuals direct the staff to keep strict tallies of the stock at the daily opening and closing of each showroom, and to account for the stock while it is moving from one place to another place within the showroom. We have installed closed circuit television cameras in our showrooms to monitor customers and staff during working hours. We also have installed night vision cameras both inside and outside our showrooms for added security while the showrooms are shut. While a showroom is shut, all jewellery is stored in a showroom vault. We have also installed smoke detectors and panic alarms in each showroom.

We have hired external security agencies that provide around the clock security guards for each showroom. We have monitoring systems to ensure the security personnel are on duty at all times. We practice scanning of all staff with metal detectors by security personnel.

We have also adopted an information technology security system through a hardware firewall 'Fortigate 100D' and 'Seqrite End Point Security'.

Information Technology

We have implemented an ERP solution named Microsoft Dynamics AX in the year 2012. The software allows for virtual connectivity across all our showrooms and offices and transfers all data in real time, allowing our management team to obtain real-time information. Additionally, we have implemented a business intelligence tool Microsoft Power BI, which helps our management to make data driven decisions.

We also have backup support for all systems, and all of our data is protected by security measures. Our servers and database are backed-up on a daily basis after business hours. This helps us to continuously consolidate workloads, maximise server utilization and decrease operational costs.

We have also adopted technology towards seamless customer experience and in this regard we have implemented Microsoft CRM (customer-relationship-management) solution and a customer portal where our customers can view their purchase details and all communications in real time. This has helped our customers to stay updated with the latest order status, designs etc.

We are also adopting augmented and virtual reality technologies for better customer care.

Properties

Our Company holds several properties on lease hold basis, including our manufacturing facilities and retail showrooms. The property on which our Registered Office and Corporate Office is situated is owned by us.

As on the date of this Draft Red Herring Prospectus, we have one manufacturing facility located at Rabindra Sarani, Kolkata, West Bengal and we have also established a manufacturing facility in the "Manikanchan" special economic zone in relation to our export sales. Further, we are in the process of setting up another manufacturing facility at the Gems and Jewelry Park, Ankurhati, Domjur in Howrah, West Bengal.

Insurance

We have taken insurance to cover different risks including jeweller's block policy, fire and other perils policy and directors and officers liability insurance, which we believe is sufficient to cover all material risks in relation to our operations and income. Our operations are subject to hazards inherent to manufacturing units, such as risks relating to work accidents, fire, earthquake, burglary and loss in transit. This includes hazards that may cause injury and loss of life, damage and destruction of property and equipment.

A credit insurance policy covers the payment risk resulting from the delivery of jewellery. For further details, please see "*Risk Factors –Our insurance policies may not adequately cover us against certain risks and hazards, which may have an adverse effect on our business*" on page 37. We have a risk management committee of Directors who undertake risk management review from time to time.

Intellectual Property

Our business is largely dependent on the brand name "Senco Gold & Diamond", which has over the years helped us in building brand equity and customer loyalty. We have filed 44 trademark applications in different classes, with the Registrar of Trademarks, Kolkata, as on the date of this Draft Red Herring Prospectus. For further details, please see "*Government and Other Approvals – Approvals in relation to our Company's Intellectual Property*" on page 457.

Employees and Human Resource Management

As at June 30, 2018, we have 1,290 employees on our records. This includes our Chief Financial Officer, Compliance Officer, Chief Technology Officer, showroom managers and assistant managers. Out of our employees, 1,019 are based at our showrooms driving retail sales and customer operations, 215 are based in our head office while 56 are based at our factory. Additionally, we have security personnel and housekeeping staff of approximately 438 people whom we appoint on contract labour basis.

All our employees undergo an annual performance review. We provide group mediclaim policies for our employees. Additionally, we also have a gift policy for the birth of a child and the wedding of our employees. Further, we have an educational scholarship policy for children of our employees.

Competition

We face competition from both the organized and unorganized sectors of the jewellery retail business. The organized sector accounted for approximately ~30% of the jewellery retail market in Fiscal 2017, according to the CRISIL Report. The rest of the market is made up of independent jewellery showrooms and small family run operations. We also face competition in some regions from certain regional players. However, we believe that there are significant barriers to entry into the business of manufacturing and retailing jewellery in India. Among the most important of these barriers is the need for significant working capital to purchase gold and diamonds, the long-term relationships required to have access to adequate supplies of diamonds, the limited number of persons with the skills necessary to manufacture high quality jewellery, the difficulty in obtaining access to upscale channels of distribution, the importance of public recognition of an established brand name, a reputation for jewellery-making excellence, and the development of systems to report on and stringently monitor the manufacturing and distribution network.

Corporate Social Responsibility

Our Company has adopted a CSR policy in line with the requirements of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014, notified by the Central Government. Our vision while undertaking CSR activities is as follows:

- empowerment of women;
- education in rural areas

P.C. Sen Charitable Trust, one of our Group Entities, has been set up to undertake CSR activities on behalf of our Company. Our CSR activities are monitored by the Corporate Social Responsibility Committee. For details of the terms of reference of the Corporate Social Responsibility Committee please see "*Our Management – Committees of the Board*" on page 159.

KEY REGULATIONS AND POLICIES IN INDIA

*The following description is a summary of certain sector specific laws and regulations currently in force in India. The information detailed in this chapter has been obtained from publications available in the public domain. The description below may not be exhaustive, and is only intended to provide general information to investors, and is neither designed as, nor intended as a substitute for professional legal advice. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, judicial or administrative decisions. Also see, "**Government and Other Approvals**", on page 454. The statements below are based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.*

Key Industry Regulations

We are regulated by various general and sector-specific laws and regulations in India, and are accordingly required to obtain certain licenses and approvals under the prevailing laws and regulations as applicable. The industry within which we operate is regulated in India by the following regulations and policies:

Regulation of Gold Loans

The Government of India announced the Gold Monetisation Scheme (the **"GMS"**) through the Office Memorandum F.No.20/6/2015-FT dated September 15, 2015. The objective of the GMS is to mobilise gold held by Indians households and institutions and facilitate its use for productive purposes and, in the long run, to reduce India's reliance on the import of gold. Accordingly, in the exercise of powers conferred under the Banking Regulation Act, 1949, as amended, the RBI launched the GMS on October 22, 2015, and the GMS-linked Gold Metal Loan Scheme on November 5, 2015, which have been amended and clarified from time to time, most recently on March 31, 2016.

Under the GMS, which includes the Revamped Gold Deposit Scheme and Revamped Gold Metal Loan Scheme, the RBI permits scheduled commercial banks to provide finance for genuine working capital of domestic jewellery manufacturers, as well as permitting nominated banks to import gold to provide finance to domestic jewellery manufacturers, subject to certain conditions, including that the tenor of gold loans (which can be decided by the nominated banks) does not exceed 180 days from the date of procurement of the gold and the interest charged to the borrowers is linked to international gold rates. The RBI also permits nominated agencies and approved banks to import gold on loan basis for on-lending to exporters of jewellery, subject to certain conditions, including that the maximum tenor of gold metal loans does not exceed 270 days from the date of procurement of gold by the exporter, based on India's Foreign Trade Policy 2015-2020 (**"FTP"**). Gems and jewellery export oriented units and specified units in Special Economic Zones are permitted to import gold on a loan basis directly or through nominating agencies, subject to specified conditions.

Under the GMS, all resident Indians can make deposits in a gold savings account opened with a bank. The minimum that a customer can deposit is 30 grams of raw gold, in any form, excluding jewellery with stones or other metals. There is no maximum limit. Certain assaying and hallmarking centres certified by the Bureau of Indian Standards ("**BIS**") act as collection and purity testing centres for testing the purity of gold for this purpose. Customers can deposit the gold in these centres or at designated branches of the banks. Among other things, customers can deposit gold for a short term period of one to three years (with a roll out in multiples of one year), on which varying interest rates will be payable (determinable by the bank), accruing from the date the gold deposited is converted into tradable gold bars after refinement or 30 days after the receipt of gold, whichever is earlier. Customers have the option of redemption in accordance with the terms of the GMS.

Gold mobilised through the GMS under the short-term option, or purchased by banks under the medium or long term option (i.e., deposited by customers for five to seven years, or 12 to 15 years, at specified interest rates), may be provided by banks to jewellers on loan, subject to the terms and conditions prescribed by the banks and/or the RBI.

Trade Related Legislation

Foreign Trade Regulation and Policy

The Foreign Trade (Development and Regulation) Act, 1992, as amended, (the **"FTDRA"**) is the principal legislation regulating the export and import trade in India. The FTDRA is enacted with an objective to provide with the development of foreign trade by facilitating imports into, and augmenting exports from India.

As per the provisions of FTDRA, no person can make any import or export without an Importer-Exporter Code ("**IEC**") granted by the Director General of Foreign Trade or the officer authorised by the Director General of Foreign Trade. Further, under the FTDRA, the Central Government is conferred with the power to announce and amend the export and import policy of India. The FTP issued by the Ministry of Commerce and Industry consist certain salient features related to the business of our company, these are as follows:

- Exporters of gems and jewellery are permitted to import or procure duty-free input for manufacture of the following export products: gold jewellery, including partly processed jewellery and articles including medallions and coins (excluding legal tender coins), whether plain or studded, containing gold of eight carats and above, silver jewellery, including partly processed jewellery, silverware, silver strips and articles including medallions and coins (excluding legal tender coins and any engineering goods) containing more than 50% silver by weight, and platinum jewellery, including partly processed jewellery and articles including medallions and coins (excluding legal tender coins and any engineering goods) containing more than 50% platinum by weight;

- Among other things, exporters of the abovementioned eligible products may be permitted, under the Replenishment Authorisation for Consumables Scheme, duty-free import of consumables, tools and other items for jewellery made out of gold and platinum as well as for cut and polished diamonds up two percent of Free on Board ("**FOB**") value of exports for the preceding year, while in the case of precious metals other than gold and platinum the limit is two percent, and for rhodium finished silver jewellery the limit is three percent, in each case on production of required certification of export performance. Moreover, an exporter of plain or studded precious metal jewellery is entitled to duty-free re-import for rejected jewellery up to two percent of FOB value of exports in the preceding licencing year; and

- Duty-free import entitlement of commercial samples for all exporters is ₹300,000, while personal carriage of gems and jewellery products in case of holding/ participating in overseas exhibitions is US$ 5,000,000 and in case of export promotion tours is US$ 1,000,000.

The Legal Metrology Act, 2009

The Legal Metrology Act, 2009 ("**Legal Metrology Act**") has replaced the Standards of Weights and Measures Act, 1976. The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The key features of the Legal Metrology Act are (a) appointment of Government approved test centres for verification of weights and measures; (b) allowing the companies to nominate a person who will be held responsible for breach of provisions of the Legal Metrology Act; and (c) more stringent punishment for violation of provisions.

Bureau of Indian Standards

The Bureau of Indian Standards Act 2016, as amended, (the **"BIS Act")** which was notified on March 22, 2016, has been brought into force with effect from October 12, 2017, replacing the Bureau of Indian Standards Act, 1986. The BIS Act has been enacted for establishment of a national standards body for the harmonious development of the activities of standardisation, conformity assessment and quality assurance of goods, articles, processes, systems and services. Under the BIS Act, the Central Government, after consulting the BIS, can notify which precious metal articles or other goods or articles are required to be marked with a 'Hallmark' or 'Standard Mark'. Under the BIS Scheme, the Government of India has identified 'Bureau of Indian Standards' as the sole agency in India to operate the BIS Scheme which aims to ensure that quality control is built in the system in alignment with the international criteria on hallmarking.

If the jeweller intends to sell Hallmarked jewellery/artefacts, it can obtain licenses from the BIS. The license is granted for sale of Hallmarked gold jewellery/artefact conforming to Indian Standard ("**IS**") 1417 from an outlet. Similarly, another license is also granted for sale of Hallmarked silver jewellery/artefact conforming to IS 2112. The aforementioned licenses are typically granted for a period of three years.

Shops and Establishments legislations

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

Trade Licenses

Our Company, owing to its business operations, may be required to obtain specific trade licenses for its branches, to carry on trade in such locality or municipality as the local law may prescribe in this regard. Some of the legislations under which our Company has obtained licenses to carry its business operations includes the Kolkata Municipal Corporation Act, 1980 and the Delhi Municipal Corporation Act, 1957.

Special Economic Zones (SEZ)

The Special Economic Zones Act, 2005

Special Economic Zones, (the **"SEZ"**) are certain designated areas in a country which have different sets of rules and regulations for carrying the trade and business. The main aim of SEZ is to facilitate trade and FDI by providing concessions with regard to taxation, investment and also removing the procedural hurdles and technicalities which ordinary exist in the law of the land.

In India, the parliament has enacted The Special Economic Zones Act, 2005, as amended (the **"SEZ Act"**) with an objective for the establishment, development and management of the SEZ's for the promotion of exports. The Central Government has also framed 'The Special Economic Zones Rules, 2006' for carrying forward the objectives of the SEZ Act.

The SEZ Act seeks to provide exemptions to eligible persons from the payment of taxes, duties or cess under all enactments, any goods or services exported out of, or imported into, or procured from the Domestic Tariff Area by a unit in a SEZ or a developer.

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.

Labour & Employment Law

The various labour and employment-related legislations that may apply to our operations, from the perspective of protecting workers rights and specifying the registration, reporting and other compliances and requirements that may apply to us as an employer, would include, as amended, the Employee's Compensation Act, 1923, the Payment of Wages Act, 1936, the Industrial Disputes Act, 1947, the Minimum Wages Act, 1948, the Trade Unions Act, 1926, the Trade Union (Amendment) Act, 2001, the Factories Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Bonus Act, 1965, the Contract Labour (Regulation and Abolition) Act, 1970, the Payment of Gratuity Act, 1972, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Industrial Disputes Act, 1947, the Employees' State Insurance Act, 1948, the Maternity Benefits Act, 1961, the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Equal Remuneration Act, 1979, and the Employment Exchanges (Compulsory Notification Of Vacancies) Act, 1959.

In order to rationalize and reform labour laws in India, the Government of India intends to frame the Code on Wages, 2017. The Code on Wages Bill, 2017 was introduced in Lok Sabha on August 10, 2017 which will subsume four existing laws, if enacted, namely, (i) the Minimum Wages Act, 1948, (ii) the Payment of Wages Act, 1936, (iii) the Payment of Bonus Act, 1965, and (iv) the Equal Remuneration Act, 1976.

Intellectual Property Rights

Trade Marks Act, 1999

The Trade Marks Act, 1999, as amended, (the **"Trade Marks Act"**) provides for the registration of trademarks in India, pursuant to which the registered owner of a trademark is granted exclusive rights to registered marks, including brands, labels and headings, and to obtain relief in case of infringement for commercial purposes. The Trade Marks Act prohibits registration of deceptively similar trademarks and provides penalties for infringing, falsifying and falsely applying trademarks.

The Copyright Act, 1957

The Copyright Act, 1957, as amended, (the **"Copyright Act"**) has been enacted with the objective to amend and consolidate the law relating to copyright in India. The Copyright Act provides protection to the classes of work, which includes, amongst others, original, literary, dramatic, musical and artistic works, cinematograph films, and sound recording.

Designs Act, 2000

Industrial designs have been accorded protection under the Designs Act, 2000, as amended ("**Designs Act**"). A 'design' means only the features of shape, configuration, pattern, ornament or composition of lines or colour or combination thereof applied to any article whether two dimensional or three dimensional or in both forms, by any industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye, but does not include any mode or principle or construction or anything which is in substance a mere mechanical device, and expressly excludes works accorded other kinds of protection like property marks, trademarks and copyrights. Any person claiming to be the proprietor of a new or original design may apply for registration of the same under the Designs Act before the Controller-General of Patents, Designs and Trade Marks. On registration, the proprietor of the design attains a copyright over the same. The duration of the registration of a design in India is initially ten years from the date of registration, but in cases where claim to priority has been allowed the duration is ten years from the priority date. No person may sell, apply for the purpose of sale or import for the purpose of sale any registered design, or fraudulent or obvious imitation thereof.

Law Relating to Taxation

The laws relating taxation that may be applicable to our Company include the following;

(A) Direct Tax

1. The Income Tax Act, 1961

(B) Indirect Tax

1. The Central Goods and Service Tax Act, 2017
2. The Integrated Goods and Service Tax Act, 2017
3. The State Goods and Service Tax Act, 2017
4. The Customs Act, 1962

Foreign Direct Investment

Under India's Foreign Direct Investment ("**FDI**") Policy, currently effective from August 28, 2017 ("**FDI Policy**"), FDI up to 100% through the automatic route is permitted in the case of an Indian manufacturer selling its own branded products in any manner, i.e., wholesale, retail, and including through e-commerce platforms. Further, 51% FDI in case of multi-brand retail trading through government approval route is permitted. Pursuant to the Department of Industrial Policy and Promotion Press Note 1 of 2018 which amends the FDI Policy in line with the liberalisation of certain sectors, as approved by the Cabinet on January 10, 2018, FDI up to 100% through the automatic route is permitted in case of 'single brand' retailing subject to certain terms and conditions,.

Environment Laws

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.

In order to achieve the objectives of these statutes, 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 Consumer Protection Act, 1986

The Consumer Protection Act, 1986, as amended, ("**CPA**") came into effect on December 24, 1986, The CPA reinforces the interest and rights of consumers by laying down a mechanism for speedy grievance redressal. A consumer, as defined under the CPA, or a recognized consumer association, or numerous consumers having the same interest, or the Central/State Government may lodge a complaint before the district forum or any other appropriate forum under the CPA, *inter alia,* where:

- an unfair trade practice or a restrictive trade practice has been adopted by a service provider;
- the services availed or agreed to be availed suffer from any deficiency in any material aspect; and
- the provision of services which are hazardous or likely to be hazardous to life and safety of the public when used are offered by the service provider which such person could have known with due diligence to be injurious to life and safety.

When a person against whom a complaint is made fails to or omits to comply with any order made by the forum/commission, such person shall be punishable with imprisonment for a term of not less than a month, but not exceeding three years, or a fine of not less than two thousand rupees, but not more than ten thousand rupees, or both.

The CPA is proposed to be repealed by the Consumer Protection Bill, 2018, once it comes into effect. The Consumer Protection Bill, 2018 has been introduced in Lok Sabha on January 5, 2018 and is still pending approval.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated as Senco Gold Private Limited on August 22, 1994, at Kolkata, West Bengal, under the provisions of the Companies Act, 1956. Subsequently, pursuant to a resolution passed at the meeting of the Board of Directors held on June 27, 2007, and a special resolution of the Shareholders at the EGM held on August 8, 2007, the name of our Company was changed to Senco Gold Limited, pursuant to its conversion into a public limited company. A fresh certificate of incorporation dated August 31, 2007, consequent to the change of name, was issued by the RoC. Our Company was converted to a public limited company in order to expand its activities in the field of the jewellery business.

Changes in the Registered Office of our Company

Except as disclosed below, there have been no changes in the registered office of our Company since the date of its incorporation:

Date of resolution	Details of the address of the registered office
September 18, 2003	The address of the registered office of our Company was changed from 11, Abdul Rasul Avenue, Kolkata - 700 026, West Bengal, India to 7 & 8, CIT Road, Kolkata -700 014, West Bengal, India.
February 25, 2016	The address of the registered office of our Company was changed from 7 & 8, CIT Road, Kolkata - 700 014, West Bengal, India to Diamond Prestige, 41 A, A.J.C Bose Road, 10th floor, Unit no. 1001, Kolkata - 700 017, West Bengal, India.

The changes in the registered office were made for operational convenience and better infrastructure facilities.

Main objects of our Company

The main objects contained in the Memorandum of Association are set forth below:

"1. To carry on manufacturing, re-build, trading, buying, selling, dealing with as whole seller, retailer of business of Jewellers, Goldsmiths, Silversmiths, Gem-stone-Diamond Merchants, Bullion Merchants, all kinds of Jewellery, Ornaments, Gold Silver, Bullion, Precious-Cultural-artificial and imitation stones and Pearls Jewellery, Novelties, Pearls, chemical Gold, Conch-shells, Silver Plates, Cups, Shields, Medals, Cutlery, Utensils, Chromium Plated articles, Copper, Brass, Alloy or any other metals- produced, Articles, Coconut shell and Sesame wood.

2. To manufacture, purchase, sale and re-build of all kinds of Stationary, Fancy Goods, Instruments for Goldsmiths and Jewellery works, Card Board, Velvet, Plastic boxes of ornaments, objects of arts and trade etc., time pieces, watches, spectacles or any other articles of the like nature.

3. To export and import mainly, of all kinds of jewellery, Bullion, Gold, Silver, Precious Semi - Precious. Natural and Chemical Stones and products, Costume Jeweller, Diamond, Pearls, and other allied products, handicraft items of Jute, Copper, Brass and other items of natural products and any other goods as may be permitted by Law."

The main objects as contained in the Memorandum of Association enable our Company to carry on our existing business.

Amendments to our Memorandum of Association

For details of changes to the name of our Company, please see "*Brief history of our Company*" above. Except for changes to the name of our Company, there has been no other amendments to our Memorandum of Association other than as described below:

Date of change/ Shareholders' resolution	Particulars
February 6, 1998	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of our Company from ₹10,000,000 divided into 10,000 equity shares of the Company of face value ₹1,000 each to ₹20,000,000 divided into 20,000 equity shares of the Company of face value ₹1,000 each

Date of change/ Shareholders' resolution	Particulars
September 10, 2004	Clause III (A) of the Memorandum of Association (main objects) was amended by incorporation of the following clause 5: *"To carry on the business of Agency and/or as broker of Insurance Companies with regard to all types of Insurance business including Medical, Fire, Burglary, Marine life and others, to act as an Insurance intermediary to directly or indirectly solicit or administer or effect coverage of underwriting, collect, charge premium from an insured or adjust or settle claims with regard to all types of insurance business set up by Insurance Companies incorporated in India or abroad including Life/Non life and General."*
March 29, 2006	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of our Company from ₹20,000,000 divided into 20,000 equity shares of the Company of face value ₹1,000 each was increased to ₹70,000,000 divided into 70,000 equity shares of the Company of face value ₹1,000 each
March 29, 2006	Clause V of the Memorandum of Associate was amended to reflect the division of each of the existing fully paid up equity shares of face value ₹1,000 each were into 100 fully paid up Equity Shares.
February 10, 2007	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of our Company from ₹70,000,000 divided into 7,000,000 Equity Shares to ₹120,000,000 divided into 12,000,000 Equity Shares
July 2, 2012	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of our Company from ₹120,000,000 divided into 12,000,000 Equity Shares to ₹170,000,000 divided into 17,000,000 Equity Shares
October 3, 2012	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of our Company from ₹170,000,000 divided into 17,000,000 Equity Shares to ₹210,000,000 divided into 21,000,000 Equity Shares
February 5, 2013	Clause III (A) (1) of the Memorandum of Association (main objects) was amended by substituting with the following clause: *"To carry on manufacturing, re-build, trading, buying, selling, dealing with as whole seller, retailer of business of Jewellers, Goldsmiths, Silversmiths, Gem-stone-Diamond Merchants, Bullion Merchants, all kinds of Jewellery, Ornaments, Gold Silver, Bullion, Precious-Cultural-artificial and imitation stones and Pearls Jewellery, Novelties, Pearls, chemical Gold, Conch-shells, Sesame wood, Coconut Shell, Silver Plates, Cups, Shields, Medals, Cutlery, Utensils, Cromium-Plated articles, Copper, Brass, Alloy or any other metals-produced, Articles"*
May 15, 2014	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of our Company from ₹210,000,000 divided into 21,000,000 Equity Shares to ₹310,000,000 divided into 31,000,000 Equity Shares [(1)]
September 27, 2014	Clause V of the Memorandum of Association was amended to reflect the increase and reclassification in authorised share capital of our Company from ₹310,000,000 divided into 31,000,000 Equity Shares and reclassified into ₹265,000,000 divided into 26,500,000 Equity Shares and ₹45,000,000 divided into 4,500,000 preference shares
June 14, 2016	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of our Company from ₹310,000,000 divided into 26,500,000 Equity Shares and 4,500,000 preference shares of face value ₹10 each to ₹320,000,000 divided into 27,500,000 Equity Shares and 4,500,000 preference shares[(2)]
March 28, 2018	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of our Company from ₹320,000,000 divided into 27,500,000 Equity Shares and 4,500,000 preference shares of face value of ₹10 to ₹700,000,000 divided into 56,000,000 Equity Shares and 14,000,000 preference shares
July 23, 2018	Part III of the Memorandum of Association was amended to delete from the main objects, the following clauses: "*To lend money on security of Gold, silver and ornaments and utensils or any other articles made there from or on security of any other articles not accounting to Banking business as the Company may deem fit.*" "*To carry on the business of Agency and/or as broker of Insurance companies with regard to all types of insurance business including Medical, Fire, Burglary, Marine life and others, to act as an insurance intermediary to directly or indirectly solicit or administer or effect coverage of underwriting, collect, charge premium from an insured or adjust or settle claims with regard to all types of insurance business set up by Insurance companies incorporated in India or abroad including Life/Non life and General.*"

Date of change/ Shareholders' resolution	Particulars
July 23, 2018	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of our Company from ₹700,000,000 divided into 56,000,000 Equity Shares and 14,000,000 preference shares to ₹1,140,000,000 divided into 100,000,000 Equity Shares and 14,000,000 preference shares

(1) This increase in our Company's authorised share capital was on account of the scheme of amalgamation between our Company and Senco Gold Impex Private Limited, sanctioned by an order passed by the High Court of Kolkata on September 22, 2014.

(2) This increase in our Company's authorised share capital was on account of the scheme of amalgamation between our Company and Addyashakti Properties Private Limited, sanctioned by an order passed by the High Court of Kolkata on June 14, 2016.

Major events and milestones of our Company

The key events in the history of our Company are provided in the table below:

Fiscal Year	Particulars
2000	Opened our first franchisee, 'Guinea Gold' in Asansol, Beniachiti
2002	Set up our showroom at Moulali which was our first store with an area of over 8,000 sq. ft.
2005	Commenced business operations in the SEZ unit located at Manikanchan
2007	Takeover of the business of Senco Gold Museum and Senco Gold Mart
2008	Conversion of the Company from private limited to public limited
2011	Opening our first showroom outside the state of West Bengal
2012	Revenue from operations crossed ₹10,000 million for the first time
2014	Private equity investment from SAIF Partners
2015	Amalgamation of Senco Gold Impex Private Limited with our Company
2016	Introduction of Everlite brand focusing on light and affordable diamond jewellery
2017	Entered into an agreement with Kolkata Knight Riders to be its official jewellery partner for seasons ten and eleven (2017 and 2018) of the Indian Premier League

Awards, accreditations and accolades received by our Company

The table below sets forth some of the awards, accreditations and accolades received by our Company:

Calendar Year	Particulars
2014	"Leading Retailer of India" award by UBM
2015	Awarded "Gem of the Year (Central - East)" at the National Jewellery Awards, 2015 by All India Gems and Jewellery Trade Federation
2016	Ranked as "India's 5th Most Trusted Jewellery Brand" by The Brand Trust Report (India Study), 2016
2017	Certificate of Appreciation recognizing the Company as a "Symbol of Excellence" at the Economic Times Iconic Brands of India awards
2017	Awarded "Best Chain of Retail Stores (National-2017)" by Indian Bullion and Jewellers Association Limited at the 4th India Bullion and Jewellery Awards, 2017

Corporate profile of our Company

For further details of our Company's corporate profile, including description of our business, activities, services, products, geographical presence, market of each segment, growth, exports, profits due to foreign operations together with country wise analysis, geographical segment, the standing of our Company with reference to prominent competitors, management, major suppliers and customers, environmental issues, technology, managerial competence, capacity and location, see "*Our Management*", "*Our Business*", "*Industry Overview*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" on pages 153, 130, 106, 404 and 189, respectively.

Holding company

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

Subsidiary

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

Strikes, lock-outs, injunctions, and restraining orders

Except for industry-wide strikes, such as the strike organized by the bullion traders and jewellers across India in April 2012 against the hike in import duty in gold and imposition of excise duty on unbranded jewellery, pursuant to the Finance Bill 2012-2013, a nationwide one-day strike organised by jewellers association to oppose the government's plan to make PAN card mandatory for transaction over ₹0.1 million resulted in the loss of revenue for the industry and an industry-wide strike of jewellers commencing on March 2, 2016 for a period of over 40 days due to the Union Budget's proposal to levy one percent excise duty on non-silver jewellery, 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.

Capital raising activities through equity and debt

Except as mentioned in "*Capital Structure*" on page 78, our Company has not raised any capital through equity. For details of the outstanding debt facilities of our Company, see "*Financial Indebtedness*" and "*Financial Statements*" on pages 436 and 189, respectively.

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.

Time and cost overruns

There have been no instances of significant time and cost overruns in the setting up of any of the manufacturing units of our Company.

Revaluation of assets

Our Company has not revalued its assets since incorporation.

Changes in the activities of our Company during the last five years

There has been no change in the activities of our Company during the last five years which may have had a material effect on the profit / loss account of our Company, including discontinuance of a line of business, loss of agencies or markets and similar factors. For details, see "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 130 and 404, respectively.

Our Shareholders

Our Company has 10 Equity Shareholders as of the date of this Draft Red Herring Prospectus. For further details regarding our Shareholders, see "*Capital Structure – Shareholding Pattern of our Company*" on page 88.

Strategic or financial partners

Our Company does not have any strategic or financial partners.

Details regarding acquisition of business/undertakings/mergers and amalgamation

Except as detailed below, our Company has not acquired any business or undertaking, or undertaken any mergers or amalgamations.

(a) Sankar Sen, carrying on the business of, amongst others, gold and other precious bullions, as sole proprietor of Senco Gold Museum ("**Transferor**"), and our Company entered into an agreement dated April 15, 2006 (the "**Agreement**"), pursuant to which the sole proprietorship business of the Transferor was acquired by our Company (the "**Acquisition**"). Pursuant to the Acquisition, all the debts, liabilities, duties and obligations, assets, intellectual property rights, benefits of agreements, contracts and arrangements were transferred to and acquired by our Company on a going concern basis. All the permanent employees of the Transferor were made employees of our Company with effect from April 1, 2006. Further, the brands "Senco Gold" and "Senco Gold Museum" were also transferred to our Company. In consideration for the transfer, the Transferor was allotted Equity Shares of our Company. For further details of the Equity Shares allotted by our Company to the Transferor, see "*Capital Structure – Share Capital History of Our Company*" on page 78.

(b) Ranjana Sen, carrying on the business of, amongst others, gold and other precious bullions, as sole proprietor of Senco Gold Mart ("**Transferor**"), and our Company entered into an agreement dated April 15, 2006 (the

"**Agreement**"), pursuant to which the sole proprietorship business of the Transferor was acquired by our Company (the "**Acquisition**"). Pursuant to the Acquisition, all the debts, liabilities, duties and obligations, assets, intellectual property rights, benefits of agreements, contracts and arrangements were transferred to and acquired by our Company on a going concern basis. All the permanent employees of the Transferor were made employees of our Company with effect from April 1, 2006. In consideration for the transfer, the Transferor was allotted Equity Shares of our Company. For further details of the Equity Shares allotted by our Company to the Transferor, see "*Capital Structure – Share Capital History of Our Company*" on page 78.

(c) Senco Gold Impex Private Limited, the erstwhile wholly owned subsidiary of our Company ("**SGIPL**"), merged with our Company pursuant to sections 391 to 394 of the Companies Act, 1956 under a scheme of arrangement for amalgamation which was approved by the High Court of Calcutta by an order dated May 15, 2014 (the "**Scheme**"). The appointed date for the merger was April 1, 2013 ("**Appointed Date**"). Pursuant to this scheme, from the Appointed Date, all assets, properties (whether movable or immovable, tangible or intangible), licenses, debts, liabilities (including contingent liabilities), duties and obligations of SGIPL were transferred to and vested in our Company. The entire paid-up equity share capital of SGIPL was held by our Company, and therefore, upon the Scheme becoming effective, the entire subscribed and paid-up equity share capital of SGIPL stood cancelled and no shares of our Company were issued or allotted with respect to the equity shares held by our Company in SGIPL in consideration for the amalgamation. On the Scheme becoming effective, the authorised share capital of SGIPL was added to that of our Company, which led to an enhancement in our authorised share capital. For further details, see "*Capital Structure – Changes in the Authorised Share Capital of Our Company*" on page 78.

(d) Addyashakti Properties Private Limited, the erstwhile wholly owned subsidiary of our Company ("**APPL**"), merged with our Company pursuant to sections 391 to 394 of the Companies Act, 1956 under a scheme of arrangement for amalgamation (the "**Scheme**") which was approved by the High Court of Calcutta by an order dated June 14, 2016 (the "**Scheme**"). The appointed date for the merger was April 1, 2015 ("**Appointed Date**"). Pursuant to this scheme, from the Appointed Date, all assets, properties (whether movable or immovable, tangible or intangible), licenses, debts, estates, intellectual property rights, liabilities (including contingent liabilities), duties and obligations of APPL were transferred to and vested in our Company, as a going concern, so as to become an undertaking of our Company. No new shares were issued and allotted to APPL, since it was the wholly owned subsidiary of our Company. Upon the Scheme becoming effective, the authorised share capital of APPL was merged with that of our Company, which led to an enhancement in our authorised share capital. For further details, see "*Capital Structure – Changes in the Authorised Share Capital of Our Company*" on page 78.

Shareholders' agreements

As on the date of this Draft Red Herring prospectus, our Company has not entered into any shareholder's agreements that are subsisting, except as provided below:

Shareholders' agreement dated September 26, 2014 entered amongst our Company, Sankar Sen, Suvankar Sen ("Promoters"), Ranjana Sen, Arpita Day, Tapashi Mullick, Anjana Dutta, Susmita Das ("Other Shareholders") and SAIF Partners ("Investor") (the "Shareholders' Agreement")

The Investor has subscribed to 4,432,051 CCPS and 100 Equity Shares of our Company for an aggregate consideration of ₹800,003,255.50 and ₹1,000, respectively ("**Investment**"), pursuant to a subscription agreement entered into between our Company, the Promoters, the Other Shareholders and the Investor (collectively referred to as "**Parties**") on September 26, 2014, setting out the terms and conditions of the Investment ("**Subscription Agreement**"). CCPS held by the Investors carry a right of preferential non-cumulative dividend, at the rate of 0.01% of the face value of the CCPS, prior to and in preference to the payment of any dividends on the Equity Shares, if declared during any Financial Year and is convertible into fully paid-up Equity Share of the Company in the conversion ratio of 1:1.

Subsequent to the Subscription Agreement the Parties entered into the Shareholders' Agreement that documents the rights and obligations of the Parties in relation to the Investment contemplated in the Subscription Agreement. As on the effective date of the Investment, the Investor will hold 20% of the shareholding of our Company on a fully diluted basis. However, the Investor shall have the right to nominate at least one director on the Board and each of the committees of the Board as long as it is a shareholder of our Company. With regard to the appointment of auditors, our Company shall not change the statutory auditor without the prior written approval of the Investor. The Shareholders Agreement contains provisions for transfer of securities by the Parties, which include, amongst others, the requirement to obtain prior written consent of the Investor by our Company for raising additional funding to fund its operations. As long as the Investor is a Shareholder of our Company, the Promoters, Other Shareholders and/or their affiliate shall not transfer any security amounting to more than five percent of the total share capital of our Company as on the date of signing of the Shareholders Agreement. The Shareholders Agreement also contains provisions regarding the right of the Investor to exit our Company, which *inter alia* permits the Investor to offer all or any of its shares of our Company to our Promoters and Other Shareholders, when our Company undertakes an initial public offering of its securities. The Investor's/Investor nominee's consent would be required for resolutions of a Board, or any subcommittee or a Shareholders' meeting involving certain reserved matters, including but not limited to the change in control of our Company, amendment to our constitutional documents, acquisition by our Company of any other entity, and reorganisation of our Company would require the Investor's/Investor nominee's consent.

Further the Parties have entered into amendment agreement on August 20, 2018 wherein the Parties have agreed that all rights of the Investor arising out of the Shareholders' Agreement shall stand terminated immediately upon receipt of final listing and trading approvals in connection with the IPO from the Stock Exchanges.

Other agreements

Our Company has not entered into any material contract other than in the ordinary course of business carried on or intended to be carried on by our Company in the last two years immediately preceding the date of this Draft Red Herring Prospectus.

Partnership firms

Our Company is not a partner in any partnership firm.

The amount of accumulated profit/ (losses) not accounted for by our Company

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

Guarantees

Other than as disclosed in the sections titled "*Risk Factors*", "*Financial Indebtedness*"and *"Financial Statements*"on pages 20, 436 and 189, respectively, our Promoters have not given any guarantee to any third parties.

OUR MANAGEMENT

BOARD OF DIRECTORS

In terms of the Articles of Association, our Company is required to have not less than three Directors and not more than 12 Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises of six Directors of which two are executive directors, one is a non-executive Director and three are independent directors, including one woman Director. The composition of the Board of Directors is in compliance with the Companies Act, 2013 and the Listing Regulations.

The following table sets forth details regarding our Board of Directors:

Sr. No.	Name, designation, address, occupation, nationality, term and DIN	Age (Years)	Other directorships
1.	**Sankar Sen** ***Designation***: Chairman and Managing Director ***Address***: 53A, Lake Place, Kolkata, West Bengal – 700029 ***Occupation***: Business ***Nationality***: Indian ***Term***: For a period of five years, with effect from February 1, 2017 (liable to retire by rotation) ***DIN***: 01178744	60	• Rangbarshi Trading Private Limited • Mangoe Construction Private Limited • Senco Infrastructure Private Limited • Rangoli Shoppers Private Limited • Roopmahal Mercantile Private Limited • Rachna Vintrade Private Limited • All India Gem and Jewellery Domestic Council • Lokenath Dealer Private Limited • GJF Gem and Jewellery Skill Foundation • Diamond Prestige Occupants Association
2.	**Suvankar Sen** ***Designation***: Executive Director ***Address***: 53A, Lake Place, Kolkata, West Bengal – 700029 ***Occupation***: Business ***Nationality***: Indian ***Term***: For a period of five years, with effect from February 25, 2016 (liable to retire by rotation) ***DIN***: 01178803	34	• Rangbarshi Trading Private Limited • Senco Infrastructure Private Limited • Rangoli Shoppers Private Limited • Roopmahal Mercantile Private Limited • Rachna Vintrade Private Limited • Lokenath Dealer Private Limited • Ankurhati Gems and Jewellery Manufacturers Welfare Association
3.	**Vivek Kumar Mathur** ***Designation***: Non-Executive Director (nominee of SAIF Partners) ***Address***: D-151, Westend Heights, DLF Phase – V, Gurgaon – 122009, Haryana ***Occupation***: Service ***Nationality***: Indian ***Term***: Non-retiring ***DIN***: 03581311	55	• Zooropa Foods Private Limited • Aye Finance Private Limited • SAIF Advisors Private Limited • Brainbees Solutions Private Limited • Tracxn Technologies Private Limited • Acko Techology and Services Private Limited • Busybees Logistics Solutions Private Limited
4.	**Hanuman Mal Choraria** ***Designation***: Independent Director	66	• Oswal Construction Private Limited • Ajitnath Builders Private Limited • H.M. Choraria and Consultants Private

Sr. No.	Name, designation, address, occupation, nationality, term and DIN	Age (Years)	Other directorships
	Address: 14/2, Old China Bazar Street, 4th floor, Room No.- 401, Kolkata – 700 001 ***Occupation***: Professional ***Nationality***: Indian ***Term***: For a period of five years, with effect from July 23, 2018 ***DIN***: 00018375		Limited • Ossian Home Services Private Limited • Seeka Dealcomm Private Limited • Saibaba Professional Consultants Private Limited • Sresht Barter Private Limited • SHA Rubber Manufacturing and Project Engineering Private Limited • Anuvart Dealcomm Private Limited • Himadri Specialty Chemical Limited
5.	**Kumar Shankar Datta** ***Designation***: Independent Director ***Address***: Flat No. 3A, 3rd floor, Fomra Tower, 84A, A.J.C. Bose Road, Kolkata – 700 014 ***Occupation***: Professional ***Nationality***: Indian ***Term***: For a period of five years, with effect from July 23, 2018 ***DIN***: 07248231	63	• Bhulanbararee Coal Co. Limited • Haldia Riverside Estates Limited • Digimate Solution and Project Consultancy Private Limited • Insynk Consultancy and Services Private Limited
6.	**Suman Varma** ***Designation***: Independent Director ***Address***: A-20, Gitanjali Enclave, New Delhi – 110 017 ***Occupation***: Professional ***Nationality***: Indian ***Term***: For a period of five years, with effect from May 22, 2018 ***DIN***: 08127928	55	Nil

Relationship between our Directors

Except for Suvankar Sen, who is the son of Sankar Sen, none of our Directors are related to each other.

Brief biographies of Directors

Sankar Sen, aged 60 years, is the Chairman and Managing Director of our Company. He holds a bachelor's degree in commerce from the University of Calcutta. He has been associated with our Company since its inception and has over 35 of experience in the jewellery industry. Prior to joining our Company, he was associated with Senco Jewellery Mart**.** He has been conferred with various awards including the "GJTCI Excellence Awards" by the Gem and Jewellery Trade Council of India in 2016.

Suvankar Sen, aged 34 years, is the Executive Director of our Company. He holds a bachelor's of science in economics from the University of Calcutta. He also holds a post graduate diploma in business management from the Institute of Management Technology, Ghaziabad. He has been associated with our Company since 2005 and has over 13 years of experience in the jewellery industry. He has been awarded the "XIA Business Leader of The Year 2018" by SXC Calcutta Alumni Association South Chapter.

Vivek Kumar Mathur, aged 55 years, is the Non-Executive Director on our Board and has been appointed as a nominee of SAIF Partners. He holds a bachelor's of engineering degree (hons) in chemical engineering and a master's of science (hons) in chemistry from BITS Pilani and a MBA from the University of Iowa, USA. He has over 25 years of experience in banking, IT enabled services and venture capital / private equity. He has been associated with our Company since July 2018.

Hanuman Mal Choraria, aged 66 years, is an Independent Director of our Company. He holds a bachelor's degree in commerce from Gauhati Commerce College and a bachelor's degree in law from the University of Calcutta. He is a qualified company secretary and a certified insolvency professional. He has been associated with our Company since July 2018 and has over 24 years of experience as a company secretary. Prior to joining our Company, he has served as the president of the Institute of Company Secretaries of India (2006) and he was a member of the National Advisory Committee on Accounting Standard (2006-2007).

Kumar Shankar Datta, aged 63 years, is an Independent Director of our Company. He holds a bachelor's and master's degree in commerce from the Uniersity of Calcutta. He is a member of the Institute of Chartered Accountants of India and the Institute of Cost and Management Accountants of India. He has been associated with our Company since July 2018 and has over 20 years of experience in finance, functional and project management in different corporate organisations. He is currently the chief financial officer at Dhelakhat Tea Co. Limited.

Suman Varma, aged 55 years, is an Independent Director of our Company. She holds a master's degree in comparative literature from the Jadavpur University. She has been associated with our Company since May, 2018. She is an advertising and marketing professional and has been earlier associated with J Walter Thompson (India), Rediffusion – Y & R (India) and Hamdard Laboratories (India).

Confirmations

None of our Directors is, or was a director of any listed company during the last five years preceding the date of this Draft Red Herring Prospectus, whose shares have been, or were suspended from being traded on BSE or NSE.

None of our Directors is, or was a director of any listed company which has been, or was delisted from any stock exchange during the term of their directorship in such company.

No proceedings / investigations have been initiated by SEBI against any company, the board of directors of which also comprise of any of the Directors of our Company. No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested as a member by any person either to induce such director to become, or to help such director to qualify as a Director, or otherwise for services rendered by him / her or by the firm or company in which he / she is interested, in connection with the promotion or formation of our Company.

Terms of appointment of Chairman and Managing Director and Executive Director

Terms of appointment of Sankar Sen:

Sankar Sen was re-appointed as the Chairman and Managing Director pursuant to the Board's resolution dated December 02, 2016 and the approval of shareholders of our Company in the extraordinary general meeting held on January 6, 2017. Further, our Company has entered into an agreement dated February 1, 2017 with Sankar Sen detailing terms and conditions of his appointment as a Director on the Board of our Company. The remuneration paid to Sankar Sen was revised pursuant to the Board's resolution dated March 3, 2018 and the approval of the shareholders of our Company in the extra-ordinary general meeting held on March 28, 2018. His term is for a period of five years, with effect from February 1, 2017.

The table below covers the remuneration that Sankar Sen is entitled to:

Basic Salary	₹1,215,000 per month w.e.f April 1, 2018 with an annual increment of 10% year on year on the gross salary till January 31, 2022.
Performance linked Incentive	Performance linked Incentive will be paid at the rate of 10% of CTC (sum of basic pay, dearness allowance, supervision allowance and conveyance allowance) if the net profit grows minimum by 10% year on year. Any proportionate increase thereof till a cap of 20% of CTC even if net profit grows beyond 20% year on year The structure will be valid till FY 2021-22.
Medical Reimbursement	Reimbursement of all expenses incurred for self and family at actual (including domiciliary and medical expenses and insurance premium for medical and hospitalisation policy as applicable), as per Company policy.
Earned leaves	30 days annual leave with pay. Leaves accumulated and not availed for during his tenure as Managing Director may be allowed to be encashed as per the rules of the Company
Leave travel concession	Two paid holidays foreign trips for himself and family.
Club fees	Actual fees (maximum of three clubs including admission fees and life membership fees if any)
Conveyance	Free of cost Company's chauffer driven car, including fuel, maintenance and operations thereof. He shall also be entitled to accommodation in five star hotel, business and economy class air travel

	in connection with the Company's business and such other benefits and amenities and other privileges and may from time to time be available to other senior executives of our Company.
Communication	Reimbursement of all business related expenses incurred by him over telephone in accordance with Company's policies.
Insurance	Insurance premium paid on life, health, personal accidental and travel.

Terms of appointment of Suvankar Sen:

Suvankar Sen was re-appointed as an Executive Director pursuant to the board resolution dated February 25, 2016 and the approval of shareholders of our Company in the general meeting held on February 25, 2016. Further, our Company has entered into an agreement dated February 25, 2016 with Suvankar Sen detailing terms and conditions of his appointment as a Director on the Board of our Company. The remuneration paid to Suvankar Sen was revised pursuant to the Board's resolution dated March 3, 2018 and the approval of the shareholders of our Company in the extra-ordinary general meeting held on March 28, 2018. His terms is for a period of five years, with effect from February 25, 2016.

The table below covers the remuneration which Suvankar Sen is entitled to:

Basic Salary	₹1,012,500 per month w.e.f April 1, 2018 with an annual increment of 10% on the gross salary year on year till February 24, 2021.
Performance linked incentive	Performance linked Incentive will be paid at the rate of 10% of CTC (sum of basic pay, dearness allowance, supervision allowance and conveyance allowance) if the net profit grows minimum by 10% year on year. Any proportionate increase thereof till a cap of 20% of CTC even if net profit grows beyond 20% year on year The structure will be valid till FY 2020-21.
Medical reimbursement	Reimbursement of all expenses incurred for self and family at actual (including domiciliary and medical expenses and insurance premium for medical and hospitalisation policy as applicable), as per Company policy.
Earned leaves	30 days annual leave with pay. Leaves accumulated and not availed for during his tenure as Executive Director may be allowed to be encashed as per the rules of the Company
Leave travel concession	Two paid holidays foreign trips for himself and family.
Club fees	Actual fees (maximum of three clubs including admission fees and life membership fees if any)
Conveyance	Free of cost Company's chauffer driven car, including fuel, maintenance and operations thereof. He shall also be entitled to accommodation in five star hotel, business and economy class air travel in connection with the Company's business and such other benefits and amenities and other privileges and may from time to time be available to other senior executives of our Company.
Communication	Free telephone facility at his residence at the Company's cost subject to the conditions that the long distance calls shall be billed by the Company
Insurance	Insurance premium paid on life, health, personal accidental and travel.

With respect to our Chairman and Managing Director and our Executive Director, there is no contingent or deferred payment accrued for Fiscal 2018.

Remuneration for Non-Executive Directors and Independent Directors

In accordance with the resolution passed by our Board on August 21, 2015, our Independent Directors are eligible for sitting fees of ₹ 20,000 for attending each meeting of the Board and ₹ 5,000 for attending each committee meeting. Details of the sitting fees paid by our Company to the Independent Directors in Fiscal 2018 are as follows:

Sr. No.	Name of Director	Total amount of sitting fees paid (in ₹)	Total amount of commission paid (in ₹)
1.	Debabrata Sarkar[(1)]	165,000	Nil
2.	Atanu Sen[(2)]	190,000	Nil
3.	Vishal Sood[(3)]	Nil	Nil
4.	Suman Varma[(4)]	Nil	Nil
5.	Vivek Kumar Mathur[(5)]	Nil	Nil
6.	Hanuman Mal Choraria[(6)]	Nil	Nil
7.	Kumar Shankar Datta[(7)]	Nil	Nil

[(1)] Debabrata Sarka resigned from our Board on July 10, 2018.
[(2)] Atanu Sen resigned from our Board on July 18, 2018.
[(3)] Vishal Sood resigned from our Board on July 23, 2018.
[(4)] Suman Varma was not paid any sitting fee in Fiscal 2018 as she was appointed only in Fiscal 2019.
[(5)] Vivek Kumar Mathur was not paid any sitting fee in Fiscal 2018 as she was appointed only in Fiscal 2019.
[(6)] Hanuman Mal Choraria was not paid any sitting fee in Fiscal 2018 as he was appointed only in Fiscal 2019.
[(7)] Kumar Shankar Datta was not paid any sitting fee in Fiscal 2018 as he was appointed only in Fiscal 2019.

Arrangement or understanding with major Shareholders, customers, suppliers or others

Except for Vivek Kumar Mathur being appointed as a nominee director of SAIF Partners as per the Shareholders Agreement, there are no other arrangements or understanding with major shareholders, customers, suppliers or others pursuant to which any of our directors or member of senior management have been appointed. For details, see "*History and certain corporate matters*" on page 147.

Shareholding of Directors in our Company

The Articles of Association do not require our Directors to hold any qualification shares.

For details in relation to shareholding of our Directors, see "*Capital Structure - Details of equity shares held by the directors and key management personnel of our company*" on page 89.

Shareholding of Directors in Group Entities

Our Directors hold shares in our Group Entities, Senco Infrastructure Private Limited, Lokenath Dealer Private Limited, Roopmahal Mercantile Private Limited, Rachna Vintrade Private Limited, Rangoli Shoppers Private Limited, Mangoe Construction Private Limiated and Rangbarshi Trading Private Limited. Details of such holding of shares by our Directors in our Group Entities, is provided below:

Shareholding of Directors in our Group Entities

Senco Infrastructure Private Limited

Sr. No.	Name of Director	Number of equity shares	Percentage shareholding (%)
1.	Suvankar Sen	210,000	30.00
2.	Sankar Sen	17,500	2.50

Lokenath Dealer Private Limited

Sr. No.	Name of Director	Number of equity shares	Percentage shareholding (%)
1.	Suvankar Sen	18,250	25.17
2.	Sankar Sen	1,875	2.59

Roopmahal Mercantile Private Limited

Sr. No.	Name of Director	Number of equity shares	Percentage shareholding (%)
1.	Suvankar Sen	5,000	50.00

Rachna Vintrade Private Limited

Sr. No.	Name of Director	Number of equity shares	Percentage shareholding (%)
1.	Suvankar Sen	5,000	50.00

Rangoli Shoppers Private Limited

Sr. No.	Name of Director	Number of equity shares	Percentage shareholding (%)
1.	Suvankar Sen	5,000	50.00

Mangoe Construction Private Limited

Sr. No.	Name of Director	Number of equity shares	Percentage shareholding (%)
1.	Sankar Sen	10,000	5.00

Rangbarshi Trading Private Limited

Sr. No.	Name of Director	Number of equity shares	Percentage shareholding (%)
1.	Suvankar Sen	150	0.01

Apart from the above, as of the date of this Draft Red Herring Prospectus, our Directors do not hold shares any shares in our Group Entities.

Appointment of relatives of our Directors to any office or place of profit

Except for as mentioned in this section, none of the relatives of our Directors hold any office of profit in our Company.

Sr. No.	Name of the relative	Designation	Date of appointment	Remuneration (₹ per month)	Relationship
1.	Ranjana Sen	Director – Procurement	April 1, 2018	350,000	Wife of Sankar Sen, Chairman and Managing Director
2.	Joita Sen	Senior Manager - Design	April 1, 2018	100,000	Wife of Suvankar Sen, Executive Director

Interests of Directors

All Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of our Board or a committee thereof, to the extent of other remuneration and reimbursement of expenses, if any, payable to them, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. In addition, Directors may also be interested to the extent of Equity Shares held by them, and to the extent of any dividend paid to them.

(i) Interest in property

Our Directors have no interest in any property acquired by our Company two years prior to the date of this Draft Red Herring Prospectus, or proposed to be acquired by our Company, or in any transaction for acquisition of land, construction of buildings and supply of machinery.

(ii) Business interest

Except as stated in "*Related Party Transactions*" on page 186, and to the extent of shareholding in our Company, if any, our Directors do not have any other interest in the business of our Company.

(iii) Payment of benefits (non-salary related)

Except as disclosed in this Draft Red Herring Prospectus, no amount or benefit has been paid or given within the two years preceding the date of this Draft Red Herring Prospectus, or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors.

(iv) Loans to Directors

Except as disclosed in "*Related Party Transactions*" on page 186, none of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company.

(v) Bonus or profit sharing plan for the Directors

Except as stated in "--*Terms of appointment of Chairman and Manging Director and Executive Director*" on page 155, none of our Directors are party to any bonus or profit sharing plan of our Company.

(vi) Service contracts with Directors

Further, except in respect of statutory benefits upon termination of their employment in our Company or on retirement, no officer of our Company, including our Chairman and Managing Director and Executive Director and the Key Management Personnel have entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

(vii) Interest in promotion of our Company

Except for Sankar Sen and Suvankar Sen, who are the Promoters of our Company, our Directors have no interests in the promotion of our Company as at the date of this Draft Red Herring Prospectus.

Changes in the Board in the last three years

Name	Date of appointment / change / cessation	Reason
Dipankar Chatterjee	January 12, 2017	Resignation from directorship
Atanu Sen	March 1, 2017	Appointment as Independent Director
Ranjana Sen	March 31, 2018	Resignation from directorship
Suman Varma	May 22, 2018	Appointment as Independent Director
Vishal Sood	July 23, 2018	Resignation from directorship
Vivek Kumar Mathur	July 23, 2018	Appointment as Non-Executive Director (nominee of SAIF Partners)
Debabrata Sarkar	July 10, 2018	Resignation from directorship
Atanu Sen	July 18, 2018	Resignation from directorship
Hanuman Mal Choraria	July 23, 2018	Appointment as Independent Director
Kumar Shankar Datta	July 23, 2018	Appointment as Independent Director

Borrowing powers of Board

Pursuant to our Articles of Association, subject to applicable laws, and pursuant to the resolution of the Shareholders passed at the EGM held on March 28, 2018, our Board has been authorised to borrow sums of money on such terms and conditions, with or without security, as the Board may think fit, which together with the monies borrowed by our Company (apart from the temporary loans obtained, or to be obtained from our Company's bankers in the ordinary course of business) may exceed the aggregate, for the time being, of the paid-up capital of our Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of monies so borrowed by our Board, shall not at any time exceed the amount of ₹ 6,500 million.

CORPORATE GOVERNANCE

The provisions relating to corporate governance prescribed under the Listing Regulations will be applicable to us immediately upon listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of applicable regulations, including the Listing Regulations, the Companies Act, 2013 and the SEBI ICDR Regulations, in respect of corporate governance including constitution of the Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees and formulation of policies, each as required under law. The Board functions either as a full board, or through various committees constituted to oversee specific operational areas. The executive management of our Company provides the Board of Directors periodic reports on the performance of the Company.

Currently, our Board has six Directors comprising of two executive Directors, one Non-Executive (nominee) Director, and three Independent Directors. This includes one woman Director, who is an Independent Director on our Board. Further, in compliance with the provisions of the Companies Act, at least two-third of our Directors, other than our Independent Directors, are liable to retire by rotation.

Committees of the Board

In addition to the committees of our Board detailed below, our Board may, from time to time, constitute committees for various functions.

(i) Audit Committee

The members of the Audit Committee are:

1. Kumar Shankar Datta, Chairman;

2. Hanuman Mal Choraria, Member; and

3. Sankar Sen, Member

Our Company Secretary/Compliance Officer is the secretary of the Audit Committee.

The Audit Committee was first constituted by a meeting of the Board held on March 1, 2008, and was last reconstituted by a meeting of the Board held on July 23, 2018. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations, and its terms of reference are as follows:

1. oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

2. recommendation for appointment, remuneration and terms of appointment of auditors of the company;

3. reviewing the financial statement with respect to its subsidiaries, in particular investments made by the unlisted subsidiaries;

4. approval of payment to statutory auditors for any other services rendered by the statutory auditors;

5. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

    a. matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
    b. changes, if any, in accounting policies and practices and reasons for the same;
    c. major accounting entries involving estimates based on the exercise of judgment by management;
    d. significant adjustments made in the financial statements arising out of audit findings;
    e. compliance with listing and other legal requirements relating to financial statements;
    f. disclosure of any related party transactions; and
    g. modified opinion(s) in the draft audit report.

6. reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

7. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

8. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

9. approval of any subsequent modification of transactions of the company with related parties;

10. scrutiny of inter-corporate loans and investments;

11. valuation of undertakings or assets of the company, wherever it is necessary;

12. evaluation of internal financial controls and risk management systems;

13. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

14. 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;

15. discussion with internal auditors of any significant findings and follow up there on;

16. 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;

17. 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;

18. looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

19. reviewing the functioning of the whistle blower mechanism;

20. overseeing the vigil mechanism established by the Company, with the Chairman

21. 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; and

22. carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

(ii) Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Hanuman Mal Choraria, Chairman;

2. Kumar Shankar Datta, Member;

3. Vivek Kumar Mathur, Member; and

4. Suman Varma, Member.

The Nomination and Remuneration Committee was first constituted by a meeting of the Board of Directors held on June 13, 2015, and was last reconstituted by a meeting of the Board held on July 23, 2018. The scope and functions of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. The terms of reference of the Nomination and Remuneration Committee are as follows:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

2. formulation of criteria for evaluation of Independent Directors and the Board;

3. devising a policy on Board diversity;

4. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance (including independent director);

5. perform such functions as are required to be performed by the Nomination, Remuneration and Compensation Committee under the SEBI (Share Based Employee Benefits) Regulations, 2014, including the following:

   i. Identify employees eligible to participate in the Scheme.

   ii. Grant Options to the eligible employee and determine the Grant date.

   iii. Determine the number of Options to be granted to each Grantee and in aggregate subject to the maximum number of options as specified under Article 6 of the Scheme.

   iv. Decide the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee.

   v. Accelerate the vesting of options on a case to case basis, as the Committee deems fit, subject to completion of minimum 1 year from the date of grant of options.

   vi. Decide upon the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period.

   vii. The Vesting and Exercise of option in case of employees who are on long leave i.e. who are on leave of more than 3 months.

   viii. The procedure for making a fair and reasonable adjustment to the entitlement including adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, spilt and consolidation of capital etc. In this regard, the following shall, *inter alia,* be taken into consideration by the Committee-

- the number and price of options shall be adjusted in a manner such that total value to the employee of the options remains almost the same after the corporate action;
- the vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the employee(s) who is granted such options;

ix. Determine the method for exercising the Vested Options, period of Exercise, etc.

x. Determine the Exercise price of the Options Granted.

xi. Re-pricing of the options which are not exercised, whether or not they have been vested, if Employee Stock Options are rendered unattractive due to fall in the price of the shares in the market.

xii. Determine the terms and conditions, not inconsistent with the terms of the Scheme, of any Option granted hereunder.

xiii. Approve letters and other documents, if any, required to be issued under the Scheme.

xiv. Decide all other matters that must be determined in connection with an Option under the Scheme in accordance with Companies Act, 2013 and SEBI Regulations as and when applicable.

xv. Construe and interpret the terms of the Scheme, and the Options Granted pursuant to the Scheme.

xvi. After the listing of the Shares of the Company at the Stock Exchange, to frame such policies and procedures to ensure that there should be no violation of:
- Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
- Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations 2003.

xvii. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of directors;

xviii. frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

(a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and

(b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.

6. perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable laws or regulatory authority.

(iii) Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Hanuman Mal Choraria, Chairman;

2. Vivek Kumar Mathur, Member;

3. Sankar Sen, Member; and

4. Suvankar Sen, Member.

The Stakeholders' Relationship Committee was constituted by our Board of Directors at their meeting held on May 6, 2018, and was last reconstituted by a meeting of the Board held on July 23, 2018. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. The terms of reference of the Stakeholders' Relationship Committee are as follows:

The terms of the Stakeholders' Relationship Committee are as follows:

1. considering and resolving grievances of shareholders', debenture holders and other security holders;

2. redressal of grievances of the security holders of the Company, including complaints in respect of allotment of Equity Shares, transfer of Equity Shares, non-receipt of declared dividends, annual reports, balance sheets of the Company, etc.;

3. allotment of Equity Shares, approval of transfer or transmission of Equity Shares, debentures or any other securities;

4. overseeing the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services;

5. investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities

6. issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.; and

7. carrying out any other functions required to be undertaken by the Stakeholders Relationship Committee under applicable laws

(iv) Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

1. Sankar Sen, Chairman;

2. Suvankar Sen, Member;

3. Vivek Kumar Mathur, Member;

4. Hanuman Mal Choraria, Member;

5. Kumar Shankar Datta, Member; and

6. Suman Varma, Member.

The Corporate Social Responsibility Committee was first constituted by our Board of Directors at their meeting held on January 20, 2015, and was last reconstituted by a meeting of the Board held on July 23, 2018. The terms of reference of the Corporate Social Responsibility Committee of our Company are as per Section 135 of the Companies Act, 2013 and the applicable rules thereunder, and have been set out below:

The terms of reference of the Corporate Social Responsibility Committee are as follows:

1. formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;

2. review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a);

3. monitor the corporate social responsibility policy of the Company and its implementation from time to time; and

4. any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time.

(v) IPO Committee

The members of the IPO Committee are:

1. Sankar Sen, Chairman;

2. Suvankar Sen, Member;

3. Kumar Shankar Datta, Member; and

4. Hanuman Mal Choraria, Member.

The IPO Committee was first constituted by our Board of Directors at their meeting held on May 6, 2018, and was last reconstituted by a meeting of the Board held on July 23, 2018. The terms of reference of the IPO Committee of our Company are as per the applicable rules, and have been set out below:

The terms of reference of the IPO Committee are as follows:

1. to decide in consultation with the BRLM(s) on the size of the Issue, including any reservation on a competitive basis or firm allotments as may be permitted, as permitted under the applicable provisions of the Companies Act, 2013, including the applicable rules made thereunder to the extent notified (the "**Companies Act, 2013**"), and the provisions of the memorandum of association of the Company and articles of association of the Company, the Securities Contracts (Regulation) Act, 1956 and the rules framed thereunder (the "**SCRA**"), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "**SEBI ICDR Regulations**"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**Listing Regulations**"), and other applicable regulations, guidelines, circulars and directives issued by Securities and Exchange Board of India (the "**SEBI**"), as well as other applicable laws, regulations, rules, guidelines, policies, ordinances, notifications, circulars or clarifications, directions and orders, in India or outside India (including any amendment thereto or re-enactment thereto for the time being in force) issued from time to time by the Government of India, including by the Department of Industrial Policy and Promotion, Government of India (the "**DIPP**"), the Reserve Bank of India (the "**RBI**"), the Registrar of Companies, West Bengal at Kolkata (the "**RoC**"), the Department of Economic Affairs, the Ministry of Finance, the relevant stock exchanges or any other competent authority from time to time and the listing agreements with the relevant stock exchanges where the Equity Shares are proposed to be listed (the "**Stock Exchanges**"), (the "**Applicable Laws**") after any rounding off in the event of any oversubscription and/or any discount (as permitted under the applicable laws) to be offered to retail individual bidders or eligible employees participating in the Issue and all the terms and conditions of the Issue, including without limitation timing, pricing (price band, issue price, including to anchor investors, etc.) opening and closing dates of the Issue, allocation/allotment to eligible persons pursuant to the Issue, including any anchor investors, and to accept any amendments, modifications, variations or alterations thereto;

2. appoint, instruct and enter into arrangements with the BRLMs, co-managers, underwriters, syndicate members, brokers, escrow collection banks, refund banks, registrar, legal counsels, printers, advertising agency(ies), experts, auditors and any other agencies, intermediaries or persons (including any successors or replacements thereof) whose appointment is required in relation to the Issue and to negotiate and finalize the terms of their appointment, including but not limited to execution of the mandate letters with the BRLMs;

3. finalization of, approving, adopting and arrangement for the submission of the DRHP to the SEBI and the Stock Exchanges for receiving comments, the RHP and the Prospectus (including amending, varying or modifying the same, as may be considered desirable or expedient), the preliminary and final international wrap and any amendments, supplements, notices or corrigenda thereto for the issue of Equity Shares including incorporating such alterations/ corrections/ modifications as may be required by SEBI, RoC, or any other relevant governmental and statutory authorities or in accordance with all applicable laws, rules, regulations, notifications, circulars, orders and guidelines;

4. to issue advertisements in such newspapers as it may deem fit and proper in accordance with the SEBI ICDR Regulations and other applicable law;

5. to decide the total number of Equity Shares to be reserved for allocation to eligible categories of investors, if any, in accordance with applicable law and on permitting existing shareholders to sell any Equity Shares of the Company held by them;

6. deciding in consultation with the BRLM(s), the pricing and terms of the Equity Shares, and all other related matters, including the determination of the minimum subscription for the Issue, in accordance with the Applicable Laws;

7. to open separate escrow accounts and or any other account, with scheduled banks to receive applications along with application monies in relation to the Issue in terms of Section 40(3) of the Companies Act, 2013;

8. to determine the price at which the Equity Shares are offered, allocated, issued and/or allotted to investors in the IPO in accordance with applicable regulations in consultation with the BRLMs and/or any other advisors, if any;

9. approval of the draft red herring prospectus (the "DRHP"), the red herring prospectus (the "RHP") and the prospectus (the "Prospectus") (including amending, varying or modifying the same, as may be considered desirable or expedient) in relation to the Issue as finalized, in accordance with the Applicable Laws;

10. to negotiate, finalise, sign, execute and deliver or arrange the delivery of the issue agreement, syndicate agreement, cash escrow agreement, share escrow agreement, underwriting agreement, agreements with the registrar to the Issue and the advertising agency(ies) and all other agreements, documents, deeds, memorandum of understanding and other instruments whatsoever, any amendment(s) or addenda thereto, including with respect to the payment of commissions, brokerages and fees, with the registrar to the Issue, legal counsels, auditors, stock exchange(s), BRLMs and other

agencies/ intermediaries in connection with Issue with the power to authorize one or more officers of the Company to negotiate, execute and deliver all or any of the aforesaid documents;

11. to open, maintain, operate and close a bank account of the Company for the handling of refunds for the Issue;

12. to make any applications to, seek clarifications and obtain approvals from, if necessary, the FIFP, RBI, SEBI and such other statutory and governmental authorities in connection with the Issue, as may be required, and wherever necessary, incorporate such modifications, amendments, alterations, corrections as may be required in the DRHP, the RHP and the Prospectus;

13. to do all acts and deeds, and negotiate, finalise, settle, execute and deliver all documents, agreements, forms, certificates, undertakings, letters and instruments as may be necessary for the purpose of or in connection with the Issue;

14. to seek, if required, the consent of the lenders to the Company and/or the lenders to the subsidiaries of the Company, industry data providers, joint venture partners, parties with whom the Company has entered into various commercial and other agreements including without limitation customers, vendors, suppliers, strategic partners of the Company, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with the Issue in accordance with the applicable law and regulations;

15. to settle all questions, difficulties or doubts that may arise from time to time in relation to the Issue, as it may in its absolute discretion deem fit.

16. to authorize and approve incurring of expenditure and payment of fees, commissions and remuneration in connection with the Issue;

17. to submit undertaking/certificates or provide clarifications to the SEBI and the relevant stock exchanges where the Equity Shares of the Company are proposed to be listed;

18. to make applications to the Stock Exchanges for in-principle approval for listing of its equity shares and file such papers and documents, including a copy of the Draft Red Herring Prospectus filed with Securities and Exchange Board of India, the stock exchanges, as may be required for the purpose;

19. to issue receipts, allotment letters, confirmation of allocation notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more Stock Exchanges, with power to authorise one or more officers of the Company to sign all or any of the afore stated documents;

20. to withdraw the DRHP or the RHP or to decide not to proceed with the Issue at any stage in accordance with the Applicable Laws;

21. seeking the listing of the Equity Shares on the Stock Exchanges, submitting the listing application to such Stock Exchanges and taking all actions that may be necessary in connection with obtaining such listing;

22. to authorize and empower officers of the Company (each, an "Authorized Officer"), for and on behalf of the Company, to execute and deliver, on a several basis, any declarations, affidavits, certificates, consents, agreements and arrangements as well as amendments or supplements thereto as may be required from time to time or that the Authorized Officers consider necessary, appropriate or advisable, in connection with the IPO, including, without limitation, engagement letter(s), memoranda of understanding, the listing agreements, the registrar's agreement, the depositories agreements, the issue agreement with the BRLMs (and other entities as appropriate), the underwriting agreement, the syndicate agreement, the escrow agreement and confirmation of allocation notes, with the BRLMs, lead manager, syndicate members, bankers to the IPO, registrar to the IPO, bankers to the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsels, depositories, trustees, custodians, advertising agencies, and all such persons or agencies as may be involved in or concerned with the Issue, if any and to do or cause to be done any and all such acts or things that the Authorized Officer may deem necessary, appropriate or desirable in order to carry out the purpose and intent of the foregoing resolutions for the Issue and any such agreements or documents so executed and delivered and acts and things done by any such Authorized Officer shall be conclusive evidence of the authority of the Authorized Officer and the Company in so doing;

23. authorisation of any director or directors of the Company, including by the grant of power of attorney, to do such acts, deeds and things as such authorised person in his/her/their absolute discretion may deem necessary or desirable in connection with the issue, offer and allotment of the Equity Shares;

24. giving or authorizing any concerned person on behalf of the Company to give such declarations, affidavits, certificates, consents and authorities as may be required from time to time;

25. authorization of the maintenance of a register of holders of the Equity Shares;

26. finalization of the basis of allotment of the Equity Shares;

27. acceptance and appropriation of the proceeds of the Issue in accordance with the Applicable Laws; and

28. to do any other act and/or deed, to negotiate and execute any document(s), application(s), agreement(s), undertaking(s), deed(s), affidavits, declarations and certificates, and/or to give such direction as it deems fit or as may be necessary or desirable with regard to the Issue.

(vi) Risk Management Committee

The members of the Risk Management Committee are:

1. Sankar Sen, Chairman;

2. Suvankar Sen, Member;

3. Kumar Shankar Datta, Member; and

4. Vivek Kumar Mathur, Member.

The Risk Management Committee was first constituted by our Board of Directors at their meeting held on May 6, 2018, and was last reconstituted by a meeting of the Board held on July 23, 2018. The terms of reference of the Risk Management Committee of our Company are as per the applicable rules, and have been set out below:

The terms of reference of the Risk Management Committee are as follows:

1. to review and assess the risk management system and policy of the Company from time to time and recommend for amendment or modification thereof;

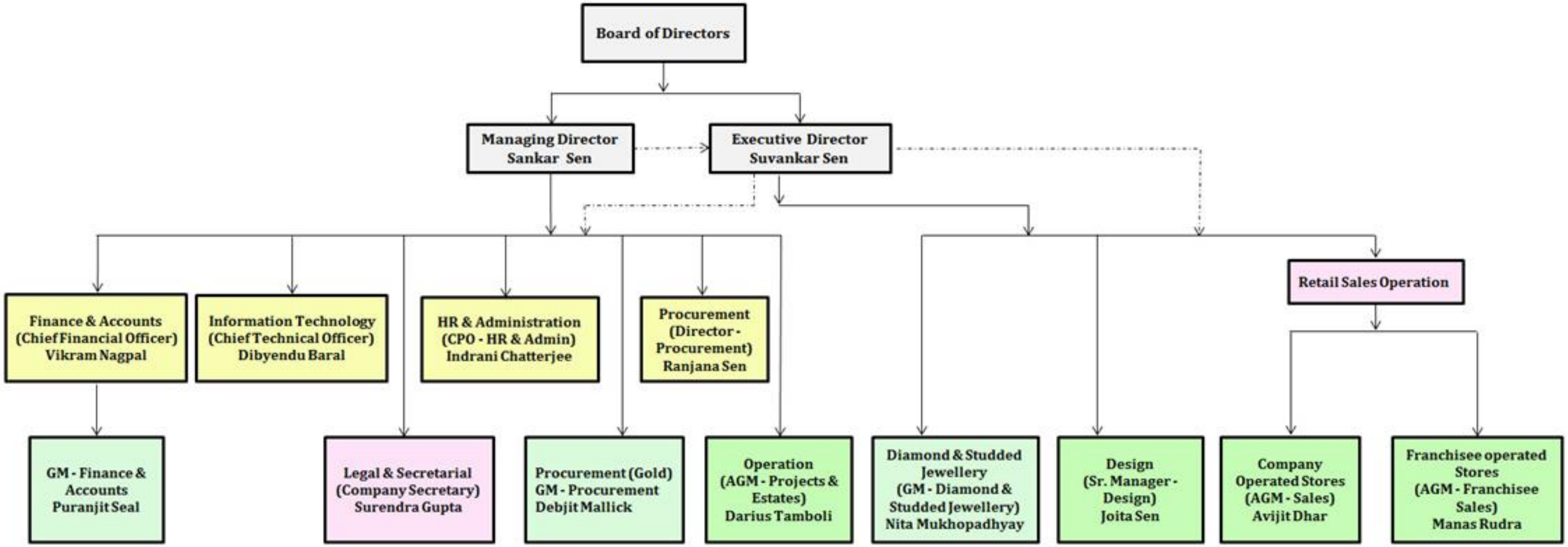
2. to frame, devise and monitor risk management plan and policy of the Company;

3. to review and recommend potential risk involved in any new business plans and processes; and

4. any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable laws.

Additionally, our Company has constituted a management committee which is an operational committees of its Board.

MANAGEMENT ORGANISATION CHART



KEY MANAGEMENT PERSONNEL

In addition to Sankar Sen, our Chairman and Managing Director and Suvankar Sen, our Executive Director, the following persons are our Key Management Personnel. For details of the brief profile of our executive Directors, please see "– *Brief biographies of Directors*" on page 154.

Vikram Nagpal is the Chief Financial Officer of our Company. He heads our finance department and joined our Company on July 18, 2017. He is a qualified chartered accountant. Prior to joining our Company, he was associated with Microsoft Corporation India Private Limited, Apollo Tyres Limited and Nokia India Private Limited. The gross remuneration paid to him during Fiscal 2018 was ₹2.26 million. Further, he was designated as CFO as on February 1, 2018 and remuneration paid to him for the period from February 1, 2018 to March 31, 2018 is ₹0.55 million. His term of office is till his resignation or termination of services by our Company.

Surendra Gupta is the Company Secretary and Compliance Officer of our Company. He heads our secretarial department and joined our Company on May 22, 2013. He holds a bachelors' degree in commerce from the University of Calcutta and a L.L.B. degree from Magadh University. Further, he holds a degree in master of business laws from National Law School of India University. He is a member of the Institute of Company Secretaries of India. He has over five years of experience in the jewellery industry. Prior to joining our Company, he was associated with Jupiter International Limited. The gross remuneration paid to him during Fiscal 2018 was ₹1.17 million. His term of office is till his resignation or termination of services by our Company.

Dibyendu Baral is the Chief Technical Officer of our Company. He heads our I.T. department and joined our Company on August 3, 2017. He holds a Bachelor's degree in Commerce from the University of Burdwan. He is a Microsoft Certified Professional and a Managing Microsoft Dynamics Implementations Specialist. Prior to joining our Company, he was associated with KPMG as an Associate Director in Delhi. The gross remuneration paid to him during Fiscal 2018 was ₹1.57 million. His term of office is till his resignation or termination of services by our Company.

Indrani Chatterjee is the Chief People Officer of our Company. She heads our human resources and administration department and joined our Company on July 20, 2018 and. She holds a master's of science in Chemistry from Visva-Bharati University and an MBA from Utkal University. She has over 18 years of experience in manufacturing, FMCG, telecom and consulting sectors. Prior to joining our Company, she was associated with Patton Limited, Pricewaterhouse Coopers Service Delivery Center, Vodafone and Pepsico India. Her term of office is till her resignation or termination of services by our Company.

Debjit Mallick is the General Manager – Production of our Company. He joined our Company in 2002 and heads heads our production department. He holds a Bachelor's degree in Commerce from the University of Calcutta. Further, he has completed 'Counter Selling Skills' program with the World Gold Council. Prior to joining our Company, he was associated with P. C. Chandra (Jewellers) Limited. He has over 16 years of experience in the jewellery industry. The gross remuneration paid to him during Fiscal 2018 was ₹1.19 million. His term of office is till his resignation or termination of services by our Company.

Nita Mukhopadhyay is the General Manager – Studded Jewellery and Head Purchase of our Company. She joined our Company in 2003 and heads our studded jewellery division. She holds a Diploma in Gemmology from the Gemmological Association and Gem Testing Laboratory of Great Britain and a P.G. Diploma in Jewellery Designing, Manufacturing and Appraising from the Indian Diamond Institute. She has over 15 years of experience in the jewellery industry. The gross remuneration paid to her during Fiscal 2018 was ₹1.29 million. Her term of office is till her resignation or termination of services by our Company.

Puranjit Seal is the General Manager – Finance and Accounts of our Company. He joined our Company on June 3, 2013 and heads our accounts department. He is a qualified Chartered Accountant. Prior to joining our Company, he was associated with Gee Pee Infotech Private Limited as Assistant General Manager (Finance). The gross remuneration paid to him during Fiscal 2018 was ₹1.79 million. His term of office is till his resignation or termination of services by our Company.

Ranjana Sen is the 'Director – Procurement' of our Company. She joined our Company in 1994 and heads our procurement department. She holds a bachelor's degree in Arts from University of Calcutta. She has been associated with our Company since 1994 and has over two decades of experience in the jewellery industry. The professional consultancy fee paid to her during Fiscal 2018 was ₹3.7 million. Her term of office is till her resignation or termination of services by our Company.

Except for Suvankar Sen, who is the son of Sankar Sen, and Ranjana Sen, who is the wife of Sankar Sen and mother of Suvankar Sen, none of our Key Management Personnel are related to each other.

With respect to our Key Management Personnel, there is no contingent or deferred payment accrued for Fiscal 2018.

All the Key Management Personnel are permanent employees of our Company.

(a) Shareholding of Key Management Personnel

For details in relation to shareholding of Key Management Personnel, see "*Capital Structure - Details of equity shares held by the directors and key management personnel of our company*" on page 89.

(b) Arrangements and understanding with major Shareholders

None of our Key Management Personnel have been selected pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

(c) Bonus or profit sharing plans

None of the Key Management Personnel are party to any bonus or profit sharing plan of our Company other than the performance linked incentives given to Key Management Personnel.

(d) Interests of Key Management Personnel

The Key Management Personnel 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 in the ordinary course of business. The Key Management Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held by them in our Company, if any.

None of the Key Management Personnel have been paid any consideration of any nature from our Company on whose rolls they are employed, other than their remuneration.

Further, there is no arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any Key Management Personnel was selected as member of senior management.

(e) Changes in the Key Management Personnel

Except for the changes to our Board of Directors, as set forth under "*Our Management - Changes in the Board in the last three years*" herein above, the changes in the Key Management Personnel in the last three years prior to the date of this Draft Red Herring Prospectus are as follows:

Name	Designation	Date of change	Reason for change
Sabyasachi Gooptu	Chief Financial Officer	October 9, 2015	Resignation from the post of Chief Financial Officer
A. Parthasarathy	Chief Financial Officer	February 1, 2016	Appointment as Chief Financial Officer
Dibyendu Baral	Chief Technical Officer	August 3, 2017	Appointed as Chief Technical Officer
A. Parthasarathy	Chief Financial Officer	August 17, 2017	Resignation from the post of Chief Financial Officer
A. Parthasarathy	Chief Operating Officer	August 18, 2017	Appointed as Chief Operating Officer
A. Parthasarathy	Chief Operating Officer	November 30, 2017	Resignation from the post of Chief Operating Officer
Vikram Nagpal	Chief Financial Officer	February 1, 2018	Appointed as Chief Financial Officer

Name	Designation	Date of change	Reason for change
Ranjana Sen	Director - Procurement	April 1, 2018	Appointed as Director - Procurement
Indrani Chatterjee	Chief People Officer	July 20, 2018	Appointed as Chief People Officer

(f) Payment or benefit to officers of our Company

No non-salary amount or benefit has been paid or given or is intended to be paid or given to any of our Company's employees including the Key Management Personnel and our Directors within the two preceding years.

EMPLOYEE STOCK OPTION

As on the date of this Draft Red Herring Prospectus, our Company has implemented an ESOP Scheme 2018. For further details, please see "*Capital Structure – Employee Stock Option Scheme*" on page 91.

OUR PROMOTERS & PROMOTER GROUP

The Promoters of our Company are Sankar Sen, Suvankar Sen, Jai Hanuman Shri Siddhivinayak Trust and Om Gaan Ganpataye Bajrangbali Trust. As on the date of this Draft Red Herring Prospectus, the Promoters, together hold 52,350,228 Equity Shares, representing 98.43% of the pre-Issue issued, subscribed, and paid-up capital of our Company.

For details of the build-up of our Promoters' shareholding in our Company, please refer to the chapter "*Capital Structure – Notes to the Capital Structure*" on page 78.

INDIVIDUAL PROMOTERS

Sankar Sen

	Sankar Sen, aged 60 years, is the Chairman and Managing Director of our Company. For further details, see "*Our Management – Board of Directors*" on page 153. The voter identification number of Sankar Sen is WB/231/149/330125 and his driving license number is WB-011978281047.

Suvankar Sen

	Suvankar Sen, aged 34 years, is the Executive Director of our Company. For further details, see "*Our Management – Board of Directors*" on page 153. The voter identification number of Suvankar Sen is LXQ2281012 and his driving license number is WB – 012001306831.

Our Company confirms that the permanent account number, bank account numbers, and passport number of Sankar Sen and Suvankar Sen shall be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus with the Stock Exchanges.

OTHER PROMOTERS

Jai Hanuman Shri Siddhivinayak Trust

1. Corporate information and History

Jai Hanuman Shri Siddhivinayak Trust was constituted pursuant to a trust deed dated January 31, 2017. As on the date of this Draft Red Herring Prospectus, the Jai Hanuman Shri Siddhivinayak Trust (acting through its trustees, Sankar Sen and Suvankar Sen) holds 34,436,529 Equity Shares, representing 64.75% of the total paid-up capital of our Company. The principal office of the Jai Hanuman Shri Siddhivinayak Trust is located at Sen Villa, 53A, Lake Place, Kolkata – 700029. The overall objective of the Jai Hanuman Shri Siddhivinayak Trust is, *inter alia*, as follows:

a) To provide, *inter alia*, a suitable succession planning structure to ensure seamless intergenerational transfer of the trust fund amongst the beneficiaries who are family members;

b) To provide for different needs and requirements of the beneficiaries depending upon changing circumstances of lifestyle and their varying needs including, as applicable, but not limited to (i) maintenance (ii) education (iii) marriage expenses (iv) medical expenses (v) residence and (vi) other expenses and contingencies of the beneficiaries; and

c) To ensure that the trust fund is properly managed and administered in accordance with the provisions of the trust deed.

2. Settlor of the Jai Hanuman Shri Siddhivinayak Trust

The settlor of the Jai Hanuman Shri Siddhivinayak Trust is Ranjana Sen.

3. Trustees of the Jai Hanuman Shri Siddhivinayak Trust

Sankar Sen and Suvankar Sen are the trustees of the Jai Hanuman Shri Siddhivinayak Trust.

4. Beneficiaries of the Jai Hanuman Shri Siddhivinayak Trust

The beneficiaries of the Jai Hanuman Shri Siddhivinayak Trust are as follows:

a) Primary beneficiary – Sankar Sen

b) Secondary beneficiary – Suvankar Sen and Joita Sen

c) Tertiary beneficiary – Lineal descendants of Suvankar Sen (Soham Sen and Slok Sen) and in the event of death of either/both of the, the lineal descendants of deceased children of Suvankar Sen.

5. Change in control or management

There has been no change in the control or management of Jai Hanuman Shri Siddhivinayak Trust in the three years immediately preceding the filing of this Draft Red Herring Prospectus.

Our Company confirms that the permanent account number and the bank account numbers of the Jai Hanuman Shri Siddhivinayak Trust shall be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus with the Stock Exchanges.

Om Gaan Ganpataye Bajrangbali Trust

1. Corporate information and History

Om Gaan Ganpataye Bajrangbali Trust was constituted pursuant to a trust deed dated January 31, 2017. As on the date of this Draft Red Herring Prospectus, the Om Gaan Ganpataye Bajrangbali Trust (acting through its trustees, Suvankar Sen) holds 5,334,246 Equity Shares, representing 10.03% of the total paid-up capital of our Company. The principal office of the Om Gaan Ganpataye Bajrangbali Trust is located at Sen Villa, 53A, Lake Place, Kolkata - 700029. The overall objective of the Om Gaan Ganpataye Bajrangbali Trust, *inter alia,* is as follows:

a) To provide, *inter alia,* a suitable succession planning structure to ensure seamless intergenerational transfer of the trust fund amongst the beneficiaries who are family members;

b) To provide for different needs and requirements of the beneficiaries depending upon changing circumstances of lifestyle and their varying needs including, as applicable, but not limited to (i) maintenance (ii) education (iii) marriage expenses (iv) medical expenses (v) residence and (vi) other expenses and contingencies of the beneficiaries; and

c) To ensure that the trust fund is properly managed and administered in accordance with the provisions of the trust deed.

2. Settlor of the Om Gaan Ganpataye Bajrangbali Trust

The settlor of the Om Gaan Ganpataye Bajrangbali Trust is Sankar Sen.

3. Trustees of the Om Gaan Ganpataye Bajrangbali Trust

Suvankar Sen is the trustee of the Om Gaan Ganpataye Bajrangbali Trust.

4. Beneficiaries of the Om Gaan Ganpataye Bajrangbali Trust

The beneficiaries of the Om Gaan Ganpataye Bajrangbali Trust are as follows:

a) Primary beneficiary – Ranjana Sen

b) Secondary beneficiary – Sudeshna Sen

c) Tertiary beneficiary – Lineal descendants of Sudeshna Sen

5. Change in control or management

Except for change in trustee from Ranjana Sen to Suvankar Sen on May 7, 2018, there has been no change in the control or management of Om Gaan Ganpataye Bajrangbali Trust in the three years immediately preceding the filing of this Draft Red Herring Prospectus.

Our Company confirms that the permanent account number and the bank account numbers of the Om Gaan Ganpataye Bajrangbali Trust shall be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus with the Stock Exchanges.

INTERESTS OF PROMOTERS

Our Promoters are interested in our Company to the extent that they have promoted our Company, to the extent of their shareholding and the shareholding of the relatives of the Individual Promoters in our Company and the dividends payable, if any, and any other distributions in respect of the Equity Shares held by them. Our Promoters are also interested in our Company to the extent of being Directors of our Company and the remuneration and other fees payable to them in such capacities. Except for the following, our Promoters are not interested in any property acquired, or proposed to be acquired by the Company within two years of the date of this Draft Red Herring Prospectus, in the construction of any building by the Company, and / or in the supply of any machinery to the Company:

1. Deed of assignement dated June 14, 2006 for assignement of the trademark "SENCO G-O-L-D" from Senco Gold Museum
2. Leave and license agreement dated December 1, 2013, tenancy agreement dated December 1, 2013 and service and maintenance agreement dated December 1, 2013, for occupation of property owned by Mangoe Construction Private Limited situated at Saha Plaza, Rgm – 23/64 (formerly 64/8), Kazi Nazrul Islam Sarani, Block "O", Jyangra, Saha Bagan, Baguhati, Kolkata – 700 059
3. Leave and license agreement dated July 1, 2013, tenancy agreement dated July 1, 2013 and service and maintenance agreement dated July 1, 2013, for occupation of property owned by Mangoe Construction Private Limited situated at 130A, Raja S.C. Mullick Road, Garia, Kolkata – 700 084
4. Leave and license agreement dated April 1, 2013, tenancy agreement dated January 15, 2012 and service and maintenance agreement dated January 15, 2012, for occupation of property owned by Mangoe Construction Private Limited situated at 411/20, Hemanta Mukhopadhyay Sarani, (Gariahat Road), Kolkata – 700 029.
5. Leave and license agreement dated December 1, 2013, tenancy agreement dated December 1, 2013 and service and maintenance agreement dated December 1, 2013, for occupation of property owned by Mangoe Construction Private Limited situated at 14 Burmah Shell, Ward No – 23, Kolkata – 700 110
6. Tenancy agreement dated March 1, 2017 for occupation of property owned by Mangoe Construction Private Limited at 50A, Netaji Subhas Avenue, Srirampur, Hooghly, West Bengal
7. Tenancy agreement dated March 28, 2017 for occupation of property owned by Sankar Sen at 370 Rabindra Sarani, Kolkata – 700006
8. Lease agreement dated July 24, 2018, for occupation of property owned by Mangoe Construction Private Limited at 9th floor, Diamond Prestige, 41A, A.J.C. Bose road, Kolkata – 700017
9. Tenancy agreement dated July 24, 2018 for occupation of property owned by Mangoe Construction Private Limited at 2nd floor, 50A, Netaji Subhas Avenue, Srirampur, West Bengal.
10. Rent agreement dated March 1, 2017 for occupation of property owned by Mangoe Construction Private Limited at 3rd floor, Ushadeep Apartment, Hakim Para, near IT building, Siliguri – 734001.

For details see, "*Related Party Transactions*" on page 186.

Except as disclosed above, and under "*Related Party Transactions*" on page 186, our Company has not entered into any contracts, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus or proposes to enter into any such contract 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. For further details of related party transactions, as per Ind AS 24, see "*Related Party Transactions*" on page 186.

No loans have been availed by the Promoters from our Company.

Our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

Our Promoters are not related to any sundry debtors of our Company.

Our Promoters are not interested as members of a firm or company, and no sum has been paid, or agreed to be paid to them or to such firm or company, in cash or shares or otherwise by any person for services rendered by them or by such firm or company, in connection with the promotion or formation of our Company.

PAYMENT OR BENEFITS TO PROMOTERS OR PROMOTER GROUP

Except as stated above, and otherwise as disclosed in the sections "*Related Party Transactions*" on page 186 and "*Our Management*" on page 153, there have been no payment or benefit paid or given to our Promoters or Promoter Group during the two years prior to the filing of this Draft Red Herring Prospectus, nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as on the date of this Draft Red Herring Prospectus.

COMMON PURSUITS

Other than our Group Entities, our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

Our Company will adopt necessary procedures and practices as permitted by law to address any conflict of interest as and when they arise.

COMPANIES WITH WHICH OUR PROMOTERS HAVE DISASSOCIATED IN THE LAST THREE YEARS

Our Promoters have not disassociated themselves from any company or firms during the last three years preceding the date of this Draft Red Herring Prospectus.

CHANGE IN THE MANAGEMENT AND CONTROL OF OUR COMPANY

Our Individual Promoter, Sankar Sen is the original promoter of our Company; and there has been no change in the management or control of our Company since incorporation.

GUARANTEES

Except as stated in "*Risk Factors*", "*Financial Indebtedness*" and "*Financial Statements*" on pages 20, 436 and 189, respectively, our Promoters have not given any guarantee to a third party as of the date of this Draft Red Herring Prospectus.

OTHER CONFIRMATIONS

None of our Promoters or members of the Promoter Group, have been declared as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI or any other government authority. Further, there are no violations of securities laws committed by our Promoters and members of the Promoter Group in the past, and no proceedings for violation of securities laws are pending against them.

None of our Promoters or members of the Promoter Group have been prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI, or any other regulatory or governmental authority.

Our Promoters are not, and have not been in the past, promoter, directors or persons in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

For details in relation to legal proceedings involving our Promoters, see "*Outstanding Litigation and Material Development – Litigation involving our Promoters*" on page 450.

Our Promoters are not interested in any entity which holds any intellectual property rights that are used by our Company.

Our Promoters have not taken any unsecured loans which may be recalled by the lenders at any time.

Except as disclosed in "*Related Party Transactions*" on page 186, there have been no sales or purchases between our Company and Promoter Group where such sale or purchase exceeded in value in the aggregate of 10% of the total sales or purchase of our Company.

PROMOTER GROUP

In addition to the Promoters named above, the following individuals and entities form a part of the Promoter Group as on the date of this Draft Red Herring Prospectus, in terms of Regulation 2(1)(zb) of the SEBI ICDR Regulations:

1. Natural persons who are part of the Promoter Group

Name of the Promoter	Name of the relative	Relationship with the Promoter
Sankar Sen	Late P.C. Sen	Father
	Minati Sen	Mother
	Ranjana Sen	Spouse
	Anita Dutta	Sister
	Parbati Sen	Sister
	Susmita Das	Sister
	Joyita Sen	Sister
	Suvankar Sen	Son
	Sudeshna Sen	Daughter
	Late D.N. Dhar	Father-in-law
	Late Bela Rani Dhar	Mother-in-law
	Debjani Dutta	Sister-in-law
	Minati Dey	Sister-in-law
	Anjana Dutta	Sister-in-law
	Arpita Day	Sister-in-law
	Tapashi Mullick	Sister-in-law
Suvankar Sen	Sankar Sen	Father
	Ranjana Sen	Mother
	Joita Sen	Spouse
	Sudeshna Sen	Sister
	Soham Sen	Son
	Slok Sen	Son
	Joydeep Majumder	Father-in-law
	Aparajita Majumder	Mother-in-law
	Arpita Majumdar	Sister-in-law

2. Body corporates forming part of the Promoter Group

Companies

1. Senco Infrastructure Private Limited;
2. Lokenath Dealer Private Limited;
3. Roop Mahal Merchantile Private Limited;

4. Rachna Vintrade Private Limited;
5. Rangoli Shoppers Private Limited;
6. Mangoe Construction Private Limited;
7. Arpita Agro Products Private Limited;
8. Joita Enterprise Private Limited;
9. Life Chemicals Private Limited;
10. K J Realinfra Private Limited;
11. Lira Realty Private Limited;
12. Oppulence Hair & Skin Care Private Limited;
13. Rangbarshi Trading Private Limited;
14. Sen Marine Equipments Private Limited; and
15. Subhas Brothers Jewellers Private Limited;

Other Entities

1. Sen & Majumdar.
2. P C SEN Charitable Trust;
3. Senco Gold Limited Employees Group Gratuity Fund;
4. M/s Joy Majumder & Co.; and
5. M/s NILAPET

GROUP ENTITIES

*As per the SEBI ICDR Regulations, for the purpose of identification of 'group entities', our Company has considered such entities covered under the applicable accounting standard, i.e. Indian Accounting Standard (Ind AS) 24 ("**Ind AS 24**")) as per the Restated Financial Information, and other entities considered material by our Board. Pursuant to a resolution of our Board dated July 23, 2018, for the purpose of disclosure in this Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus, apart from entities covered under Ind AS 24 in terms of the Restated Financial Information and except such companies with which the related party relationship has ceased to exist on or prior to March 31, 2018, as reflected in the Restated Financial Information (with the exception of Jai Hanuman Shri Siddhivinayak Trust and Om Gaan Ganpataye Bajrangbali Trust which are promoters of our Company), an entity shall be considered material and disclosed as a Group Entity of our Company if (i) such entity is a member of the Promoter Group and our Company has entered into one or more transactions with such entity during the last completed financial year cumulatively exceeding 10% of the total revenue of our Company for the relevant financial year / the interim period during which the transaction(s) was / were undertaken; and / or (ii) entities which, subsequent to the date of the last audited financial statements of our Company, would require disclosure in the financial statements of our Company for subsequent periods as entities covered under Ind AS 24 in addition to those entities that are already covered under Ind AS 24 in the Restated Financial Information.*

For avoidance of doubt, it is clarified that Jai Hanuman Shri Siddhivinayak Trust and Om Gaan Ganpataye Bajrangbali Trust, have not been considered as Group Entities for the purpose of disclosure in this Draft Red Herring Prospectus.

Unless otherwise specified, all information in this section is as of the date of this Draft Red Herring Prospectus.

The details of our top 5 Group Entities, based on revenue are provided below:

DETAILS OF OUR GROUP ENTITIES

A. Top five group entities

1. Lokenath Dealer Private Limited ("LDPL")

Corporate Information

LDPL was incorporated on September 12, 2007 at Kolkata, India, as a private limited company limited by shares. It has its registered office at 53A, Jyotish Chandra Guha Sarani, P.O: Tollygunj, Kolkata – 700 026. LDPL is engaged in the business of, amongst other things, buying, selling, supplying, broking, and stocking of goods and commodities of any kind to work as commission agents, brokers, contractors, processors order suppliers and dealing agents.

Interest of our Promoter

The shareholding of our Promoters, Promoter Group, Group Entities and others in LDPL is set out in the table below:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage of shareholding (%)
1.	Sankar Sen	1,875	2.59
2.	Suvankar Sen	18,250	25.17
3.	Om Gaan Ganpataye Bajrangbali Trust	1,687	2.33
4.	Jai Hanuman Shri Siddhivinayak Trust	31,163	42.98
5.	Ranjana Sen	1,775	2.45
6.	Joita Sen	17,750	24.48
TOTAL		**72,500**	**100.00**

Financial Information

The following information has been derived from the audited financial statements of LDPL for the last three Financial Years:

(*₹ in million, except per share data*)

Particulars	For the Financial Year		
	2018	2017	2016
Equity capital	0.73	0.73	0.73
Revenue from operations	0.50	0.27	0.32
Profit / Loss after tax	0.14	(0.39)	(0.02)
Reserves (excluding revaluation reserves) and Surplus	23.40	23.26	23.66
Basic earnings per share	1.86	(5.39)	(0.28)
Diluted earnings per share	1.86	(5.39)	(0.28)
Net Asset Value per share	332.76	330.90	336.28

**Face value of each equity share is ₹10 each*

There are no significant notes of the auditors in relation to the aforementioned financial statements for the last three fiscals.

2. Mangoe Construction Private Limited ("MCPL")

Corporate Information

MCPL was incorporated on May 29, 2007 at Kolkata, India, as a private limited company limited by shares. It has its registered office at 411/20 Hemanta Mukhopadhyay Sarani, Gariahat road, Kolkata – 700 029.MCPL is engaged in the business of, amongst other things, constructing, creating, operating, developing, improving, altering, maintaining all types of infrastructural facilities including related facilities in township project such as road, ropeways, dams, lakeside projects, education, sports, industrial structure and providing necessary equipments and facilities either on its own or through private sector participation, joint venture, etc.

Interest of our Promoter

The shareholding of our Promoters, Promoter Group, Group Entities and others in MCPL is set out in the table below:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage of shareholding (%)
1.	Sankar Sen	10,000	5.00
2.	Om Gaan Ganpataye Bajrangbali Trust	9,000	4.50
3.	Jai Hanuman Shri Siddhivinayak Trust	171,000	85.5
4.	Ranjana Sen	10,000	5.00
TOTAL		**200,000**	**100.00**

Financial Information

The following information has been derived from the audited financial statements of MCPL for the last three Financial Years:

(*₹ in million, except per share data*)

Particulars	For the Financial Year		
	2018	2017	2016
Equity capital	2.00	2.00	2.00
Revenue from operations	27.19	21.86	20.98
Profit / Loss after tax	14.39	10.08	11.71
Reserves (excluding revaluation reserves) and Surplus	48.64	34.25	25.59
Basic earnings per share	71.95	50.41	58.57
Diluted earnings per share	71.95	50.41	58.57
Net Asset Value per share	253.18	181.23	137.95

**Face value of each equity share is ₹10 each*

There are no significant notes of the auditors in relation to the aforementioned financial statements for the last three fiscals.

3. Rangbarshi Trading Private Limited ("RTPL")

Corporate Information

RTPL was incorporated on August 22, 1995 at Kolkata, India, as a private limited company limited by shares. It has its registered office at 411/20, Hemanta Mukhopadhyay Sarani, 3rd floor, Gariahat road, Kolkata – 700 029. RTPL is engaged in the business of, amongst other things, buying, selling, supplying, manufacturing, sole-selling agents of petroleum and petroleum products, computer and its allied products, agricultural products, jewellery, medicines and chemicals.

Interest of our Promoter

The shareholding of our Promoters, Promoter Group, Group Entities and others in RTPL is set out in the table below:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage of shareholding (%)
1.	Suvankar Sen	150	0.01
2.	Rangoli Shopper Private Limited	346,000	31.62
3.	Roopmahal Merchantile Private Limited	343,500	31.39
4.	Rachna Vinitrade Private Limited	404,500	36.96
5.	Joydeep Majumder	150	0.01
TOTAL		**1,094,300**	**100.00**

Financial Information

The following information has been derived from the audited financial statements of RTPL for the last three Financial Years:

(*₹ in million, except per share data*)

Particulars	For the Financial Year		
	2018	2017	2016
Equity capital	10.94	10.94	10.94
Revenue from operations	7.54	6.36	10.17
Profit / Loss after tax	3.71	2.90	2.94
Reserves (excluding revaluation reserves) and Surplus	75.27	71.55	68.83
Basic earnings per share	3.39	2.65	2.69
Diluted earnings per share	3.39	2.65	2.69

Particulars	For the Financial Year		
	2018	2017	2016
Net Asset Value per share	78.78	75.39	72.90

**Face value of each equity share is ₹10 each*

Significant notes in financial statements

For Fiscal 2018, Fiscal 2017 and Fiscal 2016, the auditors note that the financial statements comply with the accounting standard specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, except in relation to AS-15 – Retirement Benefits as disclosed below:

i. All other short term employee benefits, if required, are accounted for on accrual basis.
ii. The Company has not made any provision for the retirement & other related benefit of employee as per AS-15.

4. *P C SEN Charitable Trust ("PCSCT")*

Corporate Information

PCSCT, a charitable trust was set up pursuant to a trust deed dated March 26, 2016. The object of PCSCT is to take up public charitable activities as are required to be carried on by our Company in discharge of its corporate social responsibility obligations.

Interest of our Promoter

Sankar Sen and Suvankar Sen are the trustees of PCSCT.

Financial Information

The following information has been derived from the audited financial details of PCSCT for the last three Financial Years:

(*₹ in million*)

Particulars	Fiscal 2018	Fiscal 2017	Fiscal 2016
Corpus fund	30.83	21.31	0.08
Total Income	1.98	0.74	-
Surplus/(deficit) transferred to corpus	0.27	0.23	(0.02)

There are no significant notes of the auditors in relation to the aforementioned financial statements for the last three fiscals.

5. *Senco Gold Limited Employees Group Gratuity Fund ("SGLEGGF")*

Corporate Information

SGLEGGF, a trust was set up pursuant to a trust deed dated February 9, 2015. The object of SGLEGGF is to provide gratuity benefits to employees of our Company upon their retirement from service or upon their fulfilment of eligibility criteria for the benefits, and our Company shall contribute certain sums towards the same.

Interest of our Promoter

Sankar Sen and Suvankar Sen are the trustees of SGLEGGF.

Financial Information

The following information has been derived from the audited financial details of SGLEGGF for the last three Financial Years:

(₹ *in million*)

Particulars	Fiscal 2018	Fiscal 2017	Fiscal 2016
Corpus fund	8.09	5.88	3.52
Total Income	0.47	0.39	0.30
Surplus/(deficit) transferred to corpus	0.22	Negligible	0.21

There are no significant notes of the auditors in relation to the aforementioned financial statements for the last three fiscals.

B. Group entities with negative net worth

1. Senco Infrastructure Private Limited ("SIPL")

Corporate Information

SIPL was incorporated on February 24, 2010 at Kolkata, India, as a private limited company limited by shares. It has its registered office at 411/20 Hemanta Mukhopadhyay Sarani, 3rd floor, Gariahat Road, Kolkata – 700 029. SIPL is engaged in the business of, amongst other things, acquisition, purchase, selling and construction of buildings, properties, real estate, machines and provision of services and amenities to commercial and industrial complexes, residential complexes, apartments, hospitals, etc.

Interest of our Promoter

The shareholding of our Promoters, Promoter Group, Group Entities and others in SIPL is set out in the table below:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage of shareholding (%)
1.	Sankar Sen	17,500	2.50
2.	Suvankar Sen	210,000	30.00
3.	Om Gaan Ganpataye Bajrangbali Trust	15,750	2.25
4.	Jai Hanuman Shri Siddhivinayak Trust	141,750	20.25
5.	Joydeep Majumder	315,000	45.00
TOTAL		**700,000**	**100.00**

Financial Information

The following information has been derived from the audited financial statements of SIPL for the last three Financial Years:

(₹ *in million, except per share data*)

Particulars	For the Financial Year		
	2018	**2017**	**2016**
Equity capital	7.00	7.00	7.00
Revenue from operations	-	-	18.60
Profit / Loss after tax	(0.23)	(18.77)	2.13
Reserves (excluding revaluation reserves) and Surplus	(15.27)	(14.93)	3.84
Basic earnings per share	(0.33)	(26.81)	3.05
Diluted earnings per share	(0.33)	(26.81)	3.05
Net Asset Value per share	(11.81)	(11.33)	15.48

**Face value of each equity share is ₹10 each*

2. *Roopmahal Mercantile Private Limited (“RMPL”)*

Corporate Information

RMPL was incorporated on May 13, 2010 at Kolkata, India, as a private limited company limited by shares. It has its registered office at 411/20, Hemanta Mukhopadhyay Sarani, Gariahat, Kolkata – 700 029. RMPL is engaged in the business, amongst other things, as distributors, agents, traders, contractors, brokers and otherwise deal in merchandise and articles of all kinds including clearing agents, freight contractors, forwarding agents, licensing agents, general brokers, and to carry on any kind of commercial business.

Interest of our Promoter

The shareholding of our Promoters, Promoter Group, Group Entities and others in RMPL is set out in the table below:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage of shareholding (%)
1.	Suvankar Sen	5,000	50.00
2.	Joydeep Majumder	5,000	50.00
TOTAL		**10,000**	**100.00**

Financial Information

The following information has been derived from the audited financial statements of RMPL for the last three Financial Years:

Particulars	For the Financial Year		
	2018	**2017**	**2016**
Equity capital	0.10	0.10	0.10
Revenue from operations	-	-	-
Profit / Loss after tax	(0.03)	(0.03)	(0.03)
Reserves (excluding revaluation reserves) and Surplus	(0.16)	(0.13)	(0.10)
Basic earnings per share	(3.36)	(2.75)	(2.53)
Diluted earnings per share	(3.36)	(2.75)	(2.53)
Net Asset Value per share	(5.99)	(2.64)	Negligible

**Face value of each equity share is ₹10 each*

Significant notes in financial statements

For Fiscal 2018, Fiscal 2017 and Fiscal 2016, the auditors note that the financial statements comply with the accounting standard specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, except in relation to AS-15 – Retirement Benefits as disclosed below:

i. All other short term employee benefits, if required, are accounted for on accrual basis.
ii. The Company has not made any provision for retirement and other related benefits for employee as per AS-15.

3. *Rachna Vintrade Private Limited (“RVPL”)*

Corporate Information

RVPL was incorporated on May 13, 2010 at Kolkata, India, as a private limited company limited by shares. It has its registered office at 411/20, Hemanta Mukhopadhyay Sarani, Gariahat, Kolkata – 700 029. RVPL is engaged in the business of, amongst other things, buying, selling, trading, broking and distribution of and in all kinds of sarees and dress materials, wood, gems and jewellery, food grains, dairy products, soap detergents, biscuits, jute products, cotton, silk, handicrafts, stationary and hardware.

Interest of our Promoter

The shareholding of our Promoter and Promoter Group in RVPL is set out in the table below:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage of shareholding (%)
1.	Suvankar Sen	5,000	50.00
2.	Joydeep Majumder	5,000	50.00
TOTAL		**10,000**	**100.00**

Financial Information

The following information has been derived from the audited financial statements of RVPL for the last three Financial Years:

Particulars	For the Financial Year		
	2018	**2017**	**2016**
Equity capital	0.10	0.10	0.10
Revenue from operations	-	-	-
Profit / Loss after tax	(0.03)	(0.03)	(0.03)
Reserves (excluding revaluation reserves) and Surplus	(0.15)	(0.12)	(0.10)
Basic earnings per share	(3.11)	(2.60)	(2.53)
Diluted earnings per share	(3.11)	(2.60)	(2.53)
Net Asset Value per share	(5.47)	(2.35)	Negligible

**Face value of each equity share is ₹10 each*

Significant notes in financial statements

For Fiscal 2018, Fiscal 2017 and Fiscal 2016, the auditors note that the financial statements comply with the accounting standard specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, except in relation to AS-15 – Retirement Benefits:

i. All other short term employee benefits, if required, are accounted for on accrual basis.
ii. The Company has not made any provision for retirement and other related benefits for employee as per AS-15.

4. *Rangoli Shoppers Private Limited ("RSPL")*

Corporate Information

RSPL was *incorporated* on May 13, 2010 at Kolkata, India, as a private limited company limited by shares. It has its registered office at 411/20, Hemanta Mukhopadhyay Sarani, Gariahat, Kolkata – 700 029. RSPL is engaged in the business of, amongst other things, distribution, trading, contracting, broking and otherwise dealing in merchandise and articles of all kinds including clearing agents, freight contractors, forwarding agents, licensing agents, general brokers, and to carry on any kind of commercial business.

Interest of our Promoter

The shareholding of our Promoter and Promoter Group in RSPL is set out in the table below:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage of shareholding (%)
1.	Suvankar Sen	5,000	50.00
2.	Joydeep Majumder	5,000	50.00
TOTAL		**10,000**	**100.00**

Financial Information

The following information has been derived from the audited financial statements of RSPL for the last three Financial Years:

Particulars	For the Financial Year		
	2018	2017	2016
Equity capital	0.10	0.10	0.10
Revenue from operations	-	0.01	-
Profit / Loss after tax	(0.03)	(0.02)	(0.03)
Reserves (excluding revaluation reserves) and Surplus	(0.15)	(0.11)	(0.10)
Basic earnings per share	(3.36)	(1.60)	(2.53)
Diluted earnings per share	(3.36)	(1.60)	(2.53)
Net Asset Value per share	(4.82)	(1.47)	Negligible

**Face value of each equity share is ₹10 each*

C. Other group entities

1. Sen & Majumdar

Corporate Information

Sen & Majumdar, a partnership firm was set up pursuant to the partnership deed dated February 19, 2009. The object of Sen & Majumdar is to carry on the business of constructors, developers, promoters, sellers and purchasers.

Interest of our Promoter

Sankar Sen is the partner of Sen & Majumdar.

NATURE AND EXTENT OF INTEREST OF GROUP ENTITIES

1. *In the promotion of our Company*

None of our Group Entities have any interest in the promotion, or other interests in our Company.

2. *In the properties acquired or proposed to be acquired by our Company in the past two years before filing this Draft Red Herring Prospectus with SEBI*

Except as disclosed under "*Promoters – Interests of Promoters*" on page 173, none of our Group Entities are interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of this Draft Red Herring Prospectus.

3. *In transactions for acquisition of land, construction of building and supply of equipment*

None of our Group Entities are interested in any transactions for the acquisition of land, construction of building or supply of machinery.

COMMON PURSUITS AMONG THE GROUP ENTITIES WITH OUR COMPANY

There are no common pursuits among the group entities with our Company.

RELATED BUSINESS TRANSACTIONS WITHIN THE GROUP ENTITIES AND SIGNIFICANCE ON THE FINANCIAL PERFORMANCE OF OUR COMPANY

Other than the transactions disclosed in "*Related Party Transactions*" on page 186, there are no other related business transactions with our Group Entities.

SIGNIFICANT SALE / PURCHASE BETWEEN GROUP ENTITIES AND OUR COMPANY

None of our Group Entities are involved in any sales or purchase with our Company where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company. For further information on business transactions with our Group Entities and their significance on our financial performance, see "Financial Statements" on page 189.

BUSINESS INTEREST OF GROUP ENTITIES

Except as disclosed under "*Financial Statements*" on page 189, none of our Group Entities have business interests or other interests in our Company.

DEFUNCT GROUP ENTITIES

None of our Group Entities remain defunct, and no application has been made to the RoC for striking off the name of any of our Group Entities during the five years preceding the date of this Draft Red Herring Prospectus with SEBI. None of our Group Entities fall under the definition of sick companies under SICA and none of them are under winding up.

LOSS MAKING GROUP ENTITIES

The following table sets forth the details of our Group Entities which have incurred loss in the last Fiscal and profit/loss made by them in the last three Fiscals, on the basis of financial statements available:

Name of the Company	Profit/(loss) for Fiscal (amount in ₹million unless stated otherwise)		
	2018	2017	2016
Senco Infrastructure Private Limited	(0.23)	(18.77)	2.13
Roopmahal Mercantile Private Limited	(0.03)	(0.03)	(0.03)
Rachna Vintrade Private Limited	(0.03)	(0.03)	(0.03)
Rangoli Shoppers Private Limited	(0.03)	(0.02)	(0.03)
Sen & Majumdar	(0.01)	(0.01)	Negligible

LITIGATION

Except as disclosed in "Outstanding Litigation and Material Developments" on page 446, there is no litigation pending, or threatened against any of our Group Entities which are material in respect of our Company.

CONFIRMATIONS

1. None of the securities of our Group Entities are listed on any stock exchange, and none of our Group Entities have made any public or rights issue of securities in the preceding three years.

2. None of the Group Entities have been debarred from accessing the capital market for any reasons by SEBI, or any other regulatory authorities.

3. None of the Group Entities have been identified as wilful defaulters by any bank, financial institution or consortium thereof in accordance with the guidelines for wilful defaulters issued by the RBI.

4. No loans have been sanctioned by our Company to group entities.

5. As on March 31, 2018, except for unsecured loans availed by Senco Infrastructure Private Limited, Mangoe Construction Private Limited, Rachna Vintrade Private Limited, Roopmahal Merchantile Private Limited, Lokenath Dealers Private Limited and Rangoli Shoppers Private Limited none of our Group Entities have taken unsecured loans which can be recalled by the lenders at any time.

RELATED PARTY TRANSACTIONS

For details of the related party transactions during the last five Fiscals, pursuant to the requirements under Ind AS 24 "*Related Party Disclosures*", issued by the ICAI, see "*Financial Statements – Restated Standalone Financial Information – Note 35: Related Party Transactions*" and "*Financial Statements – Restated Consolidated Financial Information – Note 34: Related Party Transactions*" on pages 276 and 375, respectively.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable laws including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to, our Company's results of operations, the future expansion plans and capital requirements, profit earned during the financial year, and surpluses, contractual restrictions, liquidity and applicable taxes including dividend distribution tax payable by our Company. Upon the listing of the Equity Shares of our Company and subject to the Listing Regulations, we may be required to formulate a dividend distribution policy which shall be required to include, among others, details of circumstances under which the shareholders may or may not expect dividend, the financial parameters that shall be considered while declaring dividend, internal and external factors that shall be considered for declaration of dividend, policy as to how the retained earnings will be utilized and parameters that shall be adopted with regard to various classes of shares, as applicable.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of, or may enter into, to finance our fund requirements for our business activities. The Board may also pay interim dividend. For further details, see "*Financial Indebtedness*" on page 436. Our Company may also pay interim dividends from time to time.

The dividends paid by our Company on the Equity Shares and CCPS in the last five Financial Years 2014, 2015, 2016, 2017 and 2018, as per our Restated Standalone Financial Information are given below.

(*₹ in million, except share data*)

Particulars	For the year ended				
	March 31, 2018	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**
Face value (₹)	10	10	10	10	10
Number of Equity Shares (in million)	17.73	17.73	17.73	17.73	17.73
Number of CCPS (in million)	4.43	4.43	4.43	4.43	-
Total number of shares (in million)	22.16	22.16	22.16	22.16	17.73
Share capital	221.61	221.61	221.61	221.61	177.29
Dividend on Equity Shares (final dividend)					
Rate of dividend	-	5.00%	10.00%	-	-
Dividend per share (₹)	-	0.50	1.00	-	-
Amount of dividend paid	-	8.86	17.73	-	-
Dividend distribution tax on above	-	1.81	3.61	-	-
Dividend on CCPS (final dividend)					
Rate of dividend	-	5.01%	10.01%	-	-
Dividend per share (₹)	-	0.50	1.00	-	-
Amount of dividend paid	-	2.22	4.44	-	-
Dividend distribution tax on above	-	0.45	0.90	-	-
Dividend on equity shares (interim dividend)					
Rate of dividend	-	20.00%	-	-	25.00%
Dividend per share (₹)	-	2.00	-	-	2.50
Amount of dividend paid	-	35.46	-	-	44.32
Dividend distribution tax on above	-	7.21	-	-	7.53
Dividend on CCPS (interim dividend)					
Rate of dividend	-	20.01%	-	-	-
Dividend per share (₹)	-	2.00	-	-	-
Amount of dividend paid	-	8.87	-	-	-
Dividend distribution tax on above	-	1.81	-	-	-

DIVIDENDS PAID ON EQUITY SHARES

The dividends paid by our Company on the Equity Shares in the last five Financial Years 2014, 2015, 2016, 2017 and 2018, as per our Restated Standalone Financial Information are given below.

Particulars	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Total dividend paid (in ₹ million)	-	44.32	17.73	-	44.32
Total dividend declared on each Equity Share (₹)	-	2.50	1.00	-	2.50
Total dividend tax paid (in ₹ million)	-	9.02	3.61	-	7.53
Dividend rate (%)	-	25.00%	10.00%	-	25.00%

No interim dividends have been declared by our Board for Fiscal 2018.

The dividends paid by our Company on CCPS in the last five Financial Years 2014, 2015, 2016, 2017 and 2018, as per our Restated Standalone Financial Information are given below.

Particulars	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Total dividend paid (in ₹ million)	-	11.09	4.44	-	-
Total dividend declared on each Equity Share (₹)	-	2.50	1.00	-	-
Total dividend tax paid (in ₹ million)	-	2.26	0.90	-	-
Dividend rate (%)	-	25.02%	10.01%	-	-

The amount paid as dividends in the past is not necessarily indicative of our dividend policy or dividend amount, if any, in the future and there is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in future. For details in relation to the risk involved, see "*Risk Factors–Our ability to pay dividends in the future will depend on various factors including our future income, expenses, liquidity and restrictions under applicable law as well as our financing arrangements*" on page 46.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED STANDALONE FINANCIAL INFORMATION

The Board of Directors
Senco Gold Limited
Diamond Prestige,
10th floor,
41A, A.J.C Bose Road,
Kolkata - 700017

6 August 2018

Dear Sirs

1. We have examined the attached Restated Standalone Financial Information of Senco Gold Limited, ('the Company') which comprise of the Restated Standalone Summary Statement of Assets and Liabilities as at 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, the Restated Standalone Summary Statement of Profit and Loss (including Other Comprehensive Income), the Restated Standalone Summary Statement of Changes in Equity and the Restated Standalone Summary Statement of Cash Flows for each of the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 and the Summary of Significant Accounting Policies, read together with the annexures and notes thereto and other restated financial information explained in paragraph 7 (collectively, the 'Restated Standalone Financial Information"), for the purpose of inclusion in the Draft Red Herring Prospectus ('DRHP') prepared by the Company in connection with its proposed initial public offer of Equity shares ('Offer'). The Restated Standalone Financial Information has been approved by the IPO Committee of the Board of Directors of the Company and is prepared in terms of the requirements of:

a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ('the Act');

b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time in pursuance of provision of Securities and Exchange Board of India Act, 1992, read with Circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 issued by SEBI ('the SEBI ICDR Regulations'); and

c) the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India ('ICAI') ('the Guidance Note').

2. The preparation of the Restated Standalone Financial Information is the responsibility of the management of the Company for the purpose set out in paragraph 11 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Act, the SEBI ICDR Regulations and the Guidance Note.

3. We have examined such Restated Standalone Financial Information taking into consideration:

   a) the terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 7 May 2018 in connection with the proposed Offer;

   b) the provision of SEBI ICDR Regulations and the Act; and

   c) The Guidance Note.

4. These Restated Standalone Financial Information have been compiled by the management as follows:

   a) As at and for the years ended 31 March 2018 and 31 March 2017: from the audited standalone financial statements of the Company as at and for the year ended 31 March 2018 and as at for the year ended 31 March 2017 being the comparative period for the year ended 31 March 2018 (which were expressed in

Indian Rupees in lakhs), prepared in accordance with Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules 2016 and other relevant provisions of the Act, which have been approved by the Board of Directors at their Board meeting held on 23 July 2018; and

b) As at and for the years ended 31 March 2016, 31 March 2015 and 31 March 2014:

(i) from the audited standalone financial statements of the Company as at and for the years ended 31 March 2016 and 31 March 2015 (which were expressed in Indian Rupees in lakh), prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014, and the other relevant provisions of the Act which had been approved by the Board of Directors at their Board meetings held on 26 September 2016 and 21 August 2015 respectively; and

(ii) from the audited standalone financials statements of the Company as at and for the year ended 31 March 2014 (which were expressed in Indian Rupees in lakh), prepared in accordance with Accounting Standards prescribed under Section 211 (3C) of the Companies Act, 1956 read with the Companies Accounting Standard Rules (2006) and which had been approved by the Board of Directors at their Board meeting held on 9 August 2014.

These audited standalone financial statements of the Company as at and for each of the years ended 31 March 2016, 31 March 2015 and 31 March 2014 have been converted into Ind AS to align with the accounting policies, exemptions and disclosures as adopted for the preparations of the first Ind AS financial statements for the year ended 31 March 2018. These Restated Standalone Financial Information as at and for each of the years ended 31 March 2016, 31 March 2015 and 31 March 2014 is referred to as "the Proforma Ind AS Restated Standalone Financial Information".

5. The audit for the Company's standalone financial statements for the year ended 31 March 2014 was conducted by B S S R and Co, Chartered Accountants, one of the other member entity of B S R & Affiliates, a network registered with the Institute of Chartered Accountants of India (ICAI), and accordingly reliance has been placed solely on the report submitted by them for the said year.

6. Based on our examination and in accordance with the requirements of Section 26 of Part I of Chapter III of the Act, the SEBI ICDR Regulations, the Guidance Note and terms of our engagement agreed with you, we report that:

a) The Restated Standalone Summary Statement of Assets and Liabilities of the Company as at 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, examined by us, as set out in Annexure I to this report read with the Basis of Preparation and Significant Accounting Policies in Annexure V have been arrived at after making such adjustments and regrouping/reclassification as in our opinion were appropriate and are more fully described in the Restated Standalone Statement on Adjustments to Audited Standalone Financial Statements appearing in Annexure VI of the Restated Standalone Financial Information;

b) The Restated Standalone Summary Statement of Profit and Loss (including Other Comprehensive Income) of the Company for each of the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 as set out in Annexure II to this report read with the Basis of Preparation and Significant Accounting Policies in Annexure V have been arrived at after making such adjustments and regrouping/reclassification as in our opinion were appropriate and are more fully described in the Restated Standalone Statement on Adjustments to Audited Standalone Financial Statements appearing in Annexure VI of the Restated Standalone Financial Information;

c) The Restated Standalone Summary Statement of Changes in Equity of the Company for each of the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 as set out in Annexure III to this report read with the Basis of Preparation and Significant Accounting Policies in Annexure V have been arrived at after making such adjustments and regrouping/reclassification as in our opinion were appropriate and are more fully described in the Restated Standalone Statement on Adjustments to Audited Standalone Financial Statements appearing in Annexure VI of the Restated Standalone Financial Information;

d) The Restated Standalone Summary Statement of Cash Flows of the Company for each of the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 as set out in Annexure IV to this report read with the Basis of Preparation and Significant Accounting Policies in Annexure V have been arrived at after making such adjustments and regrouping/reclassification as in our opinion were appropriate and are more fully described in the Restated Standalone Statement on Adjustments to Audited Standalone Financial Statements appearing in Annexure VI of the Restated Standalone Financial Information;

e) Based on the above and according to the information and explanations given to us and reliance placed on the Standalone financial statements audited by B S S R and Co, Chartered Accountants, one of the other member entity of B S R & Affiliates, a network registered with the ICAI, for the year ended 31 March 2014, we further report that:

   i. There has been no change in the accounting policies which will require any adjustments in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting years;

   ii. the Restated Standalone Financial Information have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate;

   iii. the Restated Standalone Financial Information do not contain any exceptional/extraordinary items that need to be disclosed separately other than those presented in the Restated Standalone Financial Information in the respective financial years and do not contain any qualifications requiring adjustments; and

   iv. there are no qualifications in the Auditors' Report which require any adjustments in the Restated Standalone Financial Information. Also, there are no remarks /comments in the Companies (Auditor's Report) Order, 2003 issued by Central Government of India under sub-section (4A) of section 227 of Companies Act 1956, Companies (Auditor's Report) Order, 2015/ Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India, in terms of subsection (11) of Section 143 of the Act (together referred to as 'CARO'), which require any corrective adjustments in the Restated Standalone Financial Information.

7. We have also examined the following Restated Standalone Financial Information as set out in the Annexures prepared by the management of the Company and approved by the IPO Committee of the Board of Directors of the Company, for each of the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014;

   a) Basis of preparation and Significant Accounting Policies as enclosed in Annexure V
   b) Restated Standalone Statement on Adjustments to Audited Standalone financial Statements as enclosed in Annexure VI;
   c) Notes to the Restated Standalone Financial Information as enclosed in Annexure VII;
   d) Restated Standalone Statement of Other Income, as enclosed in Annexure VIII;
   e) Restated Standalone Statement of Dividend Paid, as enclosed in Annexure IX;
   f) Restated Standalone Statement of Capitalisation, as enclosed in Annexure X;
   g) Restated Standalone Statement of Accounting Ratios, as enclosed in Annexure XI; and
   h) Restated Standalone Statement of Tax Shelter, as enclosed in Annexure XII

8. In our opinion and to the best of our information and according to the explanations given to us, and also as per the reliance placed on the reports submitted by B S S R and Co, Chartered Accountants, the Restated Standalone Financial Information of the Company as at and for each of the years ended 31 March 2018 and 31 March 2017, and the Proforma Ind AS Restated Standalone Financial Information of the Company as at and for the years ended 31 March 2016, 31 March 2015 and 31 March 2014, including the above mentioned Other Restated Standalone Financial Information contained in Annexures VI to XII, read with the Basis of preparation and Significant Accounting Policies disclosed in Annexure V, as prepared, after making proforma adjustments and regroupings/reclassification as considered appropriate and as disclosed in Annexure VI, have been prepared in accordance with Section 26 of Part I of Chapter III of the Act, the SEBI ICDR Regulations and the Guidance Note.

9. This report should not, in any way, be construed as a reissuance or re-dating of any of the previous audit reports issued by us or by other firms of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. Our report is intended solely for use of the management and for inclusion in the DRHP to be filed with Securities and Exchange Board of India, Stock Exchanges where the equity shares are proposed to be listed and the relevant Registrar of Companies in India in connection with the proposed Offer. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership Number: 055757

Place: Kolkata
Date: 6 August 2018

Annexure I

Restated Standalone Summary Statement of Assets and Liabilities (Rs. in million)

	Note No. to Annexure VII	As at 31 March				
		2018	**2017**	**2016 Proforma**	**2015 Proforma**	**2014 Proforma**
ASSETS						
Non-current assets						
Property, plant and equipment	1	843.94	959.02	941.93	432.54	380.33
Capital work-in-progress	1	40.37	8.62	5.66	129.57	19.09
Intangible assets	2	19.37	23.96	19.57	8.03	8.25
Financial assets						
(i) Investments	3	0.26	0.10	0.10	2.00	2.00
(ii) Loans	4	84.36	83.69	62.50	196.98	112.08
(iii) Other financial assets	5	1.10	10.03	41.60	125.85	33.15
Deferred tax assets (net)	6	47.95	42.36	49.50	4.11	-
Non-current tax assets (net)	7	105.93	105.93	105.93	36.52	36.52
Other non-current assets	8	200.15	172.29	149.31	64.10	7.71
Total non-current assets		**1,343.43**	**1,406.00**	**1,376.10**	**999.70**	**599.13**
Current assets						
Inventories	9	8,368.31	5,979.39	5,090.80	3,577.37	2,645.12
Financial assets						
(i) Trade receivables	10	402.62	663.88	789.01	436.87	523.49
(ii) Cash and cash equivalents	11	730.86	428.33	693.76	130.74	498.16
(iii) Bank balances other than (ii) above	12	660.37	229.43	380.58	243.58	170.16
(iv) Loans	4	38.53	39.77	16.70	20.42	18.98
(v) Derivatives	13	-	7.95	-	-	-
(vi) Other financial assets	5	22.81	12.42	29.12	19.79	8.73
Other current assets	8	161.40	92.70	44.66	32.99	20.36
		10,384.90	7,453.87	7,044.63	4,461.76	3,885.00
Assets held for sale	14	-	8.06	-	-	-
Total current assets		**10,384.90**	**7,461.93**	**7,044.63**	**4,461.76**	**3,885.00**
Total assets		**11,728.33**	**8,867.93**	**8,420.73**	**5,461.46**	**4,484.13**

Annexure I (continued)

Restated Standalone Summary Statement of Assets and Liabilities (Rs. in million)

	Note No. to Annexure VII	As at 31 March				
		2018	**2017**	**2016 Proforma**	**2015 Proforma**	**2014 Proforma**
EQUITY AND LIABILITIES						
Equity						
Equity share capital	15	177.29	177.29	177.29	177.29	177.29
Instruments entirely equity in nature	15	44.32	44.32	44.32	44.32	-
Other equity	16	3,761.05	3,032.09	2,706.75	2,579.72	1,465.85
Total equity		**3,982.66**	**3,253.70**	**2,928.36**	**2,801.33**	**1,643.14**
Liabilities						
Non-current liabilities						
Financial liabilities						
(i) Borrowings	17	4.22	31.70	132.56	73.66	88.22
(ii) Other financial liabilities	18	6.94	6.48	5.88	4.80	3.99
Provisions	19	64.89	29.56	19.25	13.12	6.31
Deferred tax liabilities (Net)	6	-	-	-	-	8.52
Other Non current liabilities	20	1.30	1.73	2.19	1.90	1.74
Total non-current liabilities		**77.35**	**69.47**	**159.88**	**93.48**	**108.78**
Current liabilities						
Financial liabilities						
(i) Borrowings	17	5,808.10	4,382.96	4,076.57	1,927.85	1,880.15
(ii) Trade payables	21	609.00	387.36	561.26	121.21	64.49
(iii) Derivatives	13	174.78	-	198.50	11.60	0.75
(iv) Other financial liabilities	18	73.66	151.90	78.30	30.03	22.00
Other current liabilities	20	815.06	518.62	410.56	464.76	763.38
Provisions	19	1.85	49.97	6.05	0.21	0.13
Current tax liabilities (net)	22	185.87	53.95	1.25	10.99	1.31
Total current liabilities		**7,668.32**	**5,544.76**	**5,332.49**	**2,566.65**	**2,732.21**
Total liabilities		**7,745.67**	**5,614.23**	**5,492.37**	**2,660.13**	**2,840.99**
Total equity and liabilities		**11,728.33**	**8,867.93**	**8,420.73**	**5,461.46**	**4,484.13**

Note: The above summary statement should be read with the Basis of preparation and Summary of Significant Accounting Policies appearing in Annexure V, Restated Standalone Statement on Adjustments to Audited Standalone Financial Statements appearing in Annexure VI and Notes (referred above) to Restated Standalone Financial Information appearing in Annexure VII.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership No.: 055757

Place : Kolkata
Date : 06 August 2018

For and on behalf of the Board of Directors of
Senco Gold Limited

CIN: U36911WB1994PLC064637

Sankar Sen
Managing Director
DIN: 01178744

Suvankar Sen
Executive Director
DIN: 01178803

Vikram Nagpal
Chief Financial Officer

Surendra Gupta
Company Secretary

Place : Kolkata
Date : 06 August 2018

Place : Kolkata
Date : 06 August 2018

Annexure II

Restated Standalone Summary Statement of Profit and Loss (Rs. in million)

	Note No. to Annexure VII	For the year ended 31 March				
		2018	**2017**	**2016 Proforma**	**2015 Proforma**	**2014 Proforma**
Revenue from operations	23	22,140.14	18,423.42	15,315.19	14,337.70	13,181.94
Other income	24	108.84	86.43	44.95	55.90	26.44
Total income		**22,248.98**	**18,509.85**	**15,360.14**	**14,393.60**	**13,208.38**
Expenses						
Cost of materials consumed	25	17,082.07	16,213.88	14,909.58	13,419.74	11,757.87
Purchases of stock-in-trade	26	3,710.85	282.36	-	-	413.90
Changes in inventories of finished goods, stock-in-trade and work in progress	27	(1,796.40)	(783.49)	(1,624.17)	(789.98)	(276.01)
Excise duty		48.82	113.12	-	-	-
Employee benefits expense	28	401.48	262.85	196.63	143.24	83.29
Finance costs	29	372.56	329.54	286.64	192.73	130.51
Depreciation and amortisation expense	1 and 2	187.40	162.56	131.97	65.08	29.32
Other expenses	30	1,288.39	1,317.92	1,219.83	820.78	555.97
Total expenses		**21,295.17**	**17,898.74**	**15,120.48**	**13,851.59**	**12,694.85**
Profit before exceptional items and tax		**953.81**	**611.11**	**239.66**	**542.01**	**513.53**
Exceptional items	31	**173.69**	**-**	**-**	**-**	**-**
Profit before tax		**1,127.50**	**611.11**	**239.66**	**542.01**	**513.53**
Tax expense						
-Current tax	6	**405.60**	212.80	121.26	194.55	147.23
-Deferred tax	6	**(6.16)**	6.84	(36.47)	(11.97)	2.39
Total tax expense		**399.44**	**219.64**	**84.79**	**182.58**	**149.62**
Profit for the year (A)		**728.06**	**391.47**	**154.87**	**359.43**	**363.91**

Annexure II

Restated Standalone Summary Statement of Profit and Loss(continued) (Rs. in million)

	Note No. to Annexure VII	For the year ended 31 March				
		2018	**2017**	**2016 Proforma**	**2015 Proforma**	**2014 Proforma**
Other comprehensive income						
Items that will not be reclassified subsequently to profit or loss						
Remeasurements of defined benefit liability / (asset)		**1.31**	0.86	1.89	(1.55)	0.15
Changes in fair value of equity instruments designated at FVOCI		**0.16**	-	0.09	-	-
Income tax relating to these items that will not be reclassified subsequently to profit or loss	6	**(0.57)**	(0.30)	(0.68)	0.54	(0.05)
Other comprehensive income for the year, net of income tax (B)		**0.90**	**0.56**	**1.30**	**(1.01)**	**0.10**
Total comprehensive income for the year (A+B)		**728.96**	**392.03**	**156.17**	**358.42**	**364.01**
Earnings per share (nominal value of ₹ 10 each)						
Basic [in Rs.]	32	**13.69**	**7.11**	**2.81**	**6.76**	**6.84**
Diluted [in Rs.]	32	**10.95**	**5.89**	**2.33**	**6.03**	**6.84**

Note: The above summary statement should be read with the Basis of preparation and Summary of Significant Accounting Policies appearing in Annexure V, Restated Standalone Statement on Adjustments to Audited Standalone Financial Statements appearing in Annexure VI and Notes (referred above) to Restated Standalone Financial Information appearing in Annexure VII.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

For and on behalf of the Board of Directors of
Senco Gold Limited
CIN: U36911WB1994PLC064637

Jayanta Mukhopadhyay
Partner
Membership No.: 055757

Sankar Sen
Managing Director
DIN: 01178744

Suvankar Sen
Executive Director
DIN: 01178803

Vikram Nagpal
Chief Financial Officer

Surendra Gupta
Company Secretary

Place : Kolkata
Date : 06 August 2018

Place : Kolkata
Date : 06 August 2018

Place : Kolkata
Date : 06 August 2018

Senco Gold Limited

Annexure III

Restated Standalone Summary Statement of Changes in Equity

(Rs. in million)

Particulars	Equity share capital	Instruments entirely equity in nature	Other equity				Items of OCI	Total equity attributable to equity holders of the Company
			Reserves and surplus					
			Securities premium	General reserve	Special economic re-investment reserve	Retained earnings	Equity instruments through OCI	
Balance at 1 April 2013 Proforma (A)	**177.29**	**-**	**1.88**	**117.37**	**-**	**633.32**	**-**	**929.86**
Acquired on amalgamation (refer note 3A to Annexure V)	-	-	-	-	-	401.12	-	401.12
Profit for the year	-	-	-	-	-	363.91	-	363.91
Other comprehensive income (net of tax)	-	-	-	-	-	0.10	-	0.10
Appropriations							-	-
Interim dividend on equity shares [Rs 2.50 per share]	-	-	-	-	-	(44.32)	-	(44.32)
Tax on interim dividend on equity shares	-	-	-	-	-	(7.53)	-	(7.53)
Transfer to general reserve	-	-	-	36.49	-	(36.49)	-	-
Total comprehensive income for the year (B)	**-**	**-**	**-**	**36.49**	**-**	**676.79**	**-**	**713.28**
Balance as at 31 March 2014 Proforma (A+B)	**177.29**	**-**	**1.88**	**153.86**	**-**	**1,310.11**	**-**	**1,643.14**

Senco Gold Limited

Annexure III

Restated Standalone Summary Statement of Changes in Equity

(Rs. in million)

Particulars	Equity share capital	Instruments entirely equity in nature	Other equity				Items of OCI	Total equity attributable to equity holders of the Company
			Reserves and surplus					
			Securities premium	General reserve	Special economic re-investment reserve	Retained earnings	Equity instruments through OCI	
Balance at 1 April 2014 Proforma (A)	**177.29**	**-**	**1.88**	**153.86**	**-**	**1,310.11**	**-**	**1,643.14**
Issue of shares	0.00	44.32	-	-	-	-	-	44.32
Premium received on issue of shares	-	-	755.68	-	-	-	-	755.68
Profit for the year	-	-	-	-	-	359.43	-	359.43
Other comprehensive income (net of tax)	-	-	-	-	-	(1.01)	-	(1.01)
Depreciation adjustment (refer note 1 to Annexure VII)	-	-	-	(0.23)	-	-	-	(0.23)
Total comprehensive income for the year (B)	**0.00**	**44.32**	**755.68**	**(0.23)**	**-**	**358.42**	**-**	**1,158.19**
Balance as at 31 March 2015 Proforma (A+B)	**177.29**	**44.32**	**757.56**	**153.63**	**-**	**1,668.53**	**-**	**2,801.33**

Senco Gold Limited

Annexure III

Restated Standalone Summary Statement of Changes in Equity

(Rs. in million)

Particulars	Equity share capital	Instruments entirely equity in nature	Other equity				Items of OCI	Total equity attributable to equity holders of the Company
			Reserves and surplus					
			Securities premium	General reserve	Special economic re-investment reserve	Retained earnings	Equity instruments through OCI	
Balance at 01 April 2015 Proforma (A)	**177.29**	**44.32**	**757.56**	**153.63**	**-**	**1,668.53**		**2,801.33**
Balance acquired on amalgamation (refer note 3B to Annexure V)	-	-	-	-	-	(2.46)	-	(2.46)
Profit for the year	-	-	-	-	-	154.87	-	154.87
Other comprehensive income (net of tax)					-	1.24	0.06	1.30
Appropriations								
Final dividend on 0.01% compulsorily convertible non-cumulative preference shares [Re 1 per share] for the financial year 2014-15	-	-	-	-	-	(4.44)	-	(4.44)
Tax on final dividend on preference shares	-	-	-	-	-	(0.90)	-	(0.90)
Final dividend on equity shares [Re 1 per share] for the financial year 2014-15	-	-	-	-	-	(17.73)	-	(17.73)
Tax on final dividend on equity shares	-	-	-	-	-	(3.61)	-	(3.61)
Total comprehensive income for the year (B)	-	-	-	-	-	**126.97**	**0.06**	**127.03**
Balance as at 31 March 2016 Proforma (A+B)	**177.29**	**44.32**	**757.56**	**153.63**	**-**	**1,795.50**	**0.06**	**2,928.36**

Senco Gold Limited

Annexure III

Restated Standalone Summary Statement of Changes in Equity

(Rs. in million)

Particulars	Equity share capital	Instruments entirely equity in nature	Other equity				Items of OCI	Total equity attributable to equity holders of the Company
			Reserves and surplus					
			Securities premium	General reserve	Special economic re-investment reserve	Retained earnings	Equity instruments through OCI	
Balance at 1 April 2016 (A)	**177.29**	**44.32**	**757.56**	**153.63**	**-**	**1,795.50**	**0.06**	**2,928.36**
Profit for the year	-	-	-	-	-	391.47	-	391.47
Other comprehensive income (net of tax)	-	-	-	-	-	0.56	-	0.56
Appropriations					-		-	-
Final dividend on 0.01% compulsorily convertible non-cumulative preference shares [Re 0.50 per share] for the financial year 2015-16	-	-	-	-	-	(2.22)	-	(2.22)
Tax on final dividend on preference shares	-	-	-	-	-	(0.45)	-	(0.45)
Final dividend on equity shares [Re 0.50 per share] for the financial year 2015-16	-	-	-	-	-	(8.86)	-	(8.86)
Tax on final dividend on equity shares	-	-	-	-	-	(1.80)	-	(1.80)
Interim dividend on 0.01% compulsorily convertible non-cumulative preference shares [Rs 2 per share] for the financial year 2016-17	-	-	-	-	-	(8.87)	-	(8.87)
Tax on interim dividend on preference shares	-	-	-	-	-	(1.81)	-	(1.81)
Interim dividend on equity shares [Rs 2 per share] for the financial year 2016-17	-	-	-	-	-	(35.46)	-	(35.46)
Tax on interim dividend on equity shares	-	-	-	-	-	(7.22)	-	(7.22)
Total comprehensive income for the year (B)	-	-	-	-	-	**325.34**	-	**325.34**
Balance as at 31 March 2017 (A+B)	**177.29**	**44.32**	**757.56**	**153.63**	**-**	**2,120.84**	**0.06**	**3,253.70**

Senco Gold Limited

Annexure III

Restated Standalone Summary Statement of Changes in Equity

(Rs. in million)

Particulars	**Equity share capital**	**Instruments entirely equity in nature**	**Other equity**				**Items of OCI**	**Total equity attributable to equity holders of the Company**
			Reserves and surplus					
			Securities premium	**General reserve**	**Special economic re-investment reserve**	**Retained earnings**	**Equity instruments through OCI**	
Balance at 1 April 2017 (A)	**177.29**	**44.32**	**757.56**	**153.63**	**-**	**2,120.84**	**0.06**	**3,253.70**
Profit for the year	-	-	-	-	-	728.06	-	728.06
Other comprehensive income (net of tax)	-	-	-	-	-	0.80	0.10	0.90
Appropriations								
Transferred to Special Economic Re-investment Reserve	-	-	-	-	1.15	(1.15)	-	-
Total comprehensive income for the year (B)	-	-	-	-	**1.15**	**727.71**	**0.10**	**728.96**
Balance as at 31 March 2018 (A+B)	**177.29**	**44.32**	**757.56**	**153.63**	**1.15**	**2,848.55**	**0.16**	**3,982.66**

Note: The above summary statement should be read with the Basis of preparation and Summary of Significant Accounting Policies appearing in Annexure V, Restated Standalone Statement on Adjustments to Audited Standalone Financial Statements appearing in Annexure VI and Notes (referred above) to Restated Standalone Financial Information appearing in Annexure VII.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

For and on behalf of the Board of Directors of
Senco Gold Limited
CIN: U36911WB1994PLC064637

Jayanta Mukhopadhyay
Partner
Membership No.: 055757

Sankar Sen
Managing Director
DIN: 01178744

Suvankar Sen
Executive Director
DIN: 01178803

Vikram Nagpal
Chief Financial Officer

Surendra Gupta
Company Secretary

Place : Kolkata
Date : 06 August 2018

Place : Kolkata
Date : 06 August 2018

Place : Kolkata
Date : 06 August 2018

Senco Gold Limited

Annexure IV

Restated Standalone Summary Statement of Cash Flows (Rs. in million)

		For the year ended 31 March				
		2018	**2017**	**2016 Proforma**	**2015 Proforma**	**2014 Proforma**
A	**Cash flows from operating activities**					
	Restated Profit before tax	**1,127.50**	**611.11**	**239.66**	**542.01**	**513.53**
	Adjustments for					
	Depreciation and amortisation	187.40	162.56	131.97	65.08	29.32
	Liability no longer required written back	-	(5.52)	(7.47)	(7.88)	(1.86)
	(Profit)/loss on sale of property, plant and equipment	(173.69)	(0.91)	0.06	-	-
	Finance costs	372.56	329.54	286.64	192.73	130.51
	Unrealised foreign exchange gain	(5.94)	(20.70)	(31.57)	-	-
	Interest income	(51.56)	(46.23)	(33.51)	(45.20)	(22.80)
	Operating cash flow before working capital changes	**1,456.27**	**1,029.85**	**585.78**	**746.74**	**648.70**
	(Increase) in inventories	(2,388.93)	(888.59)	(1,513.43)	(932.25)	(331.79)
	Decrease / (Increase) in trade receivables	267.20	145.84	(320.58)	86.62	24.40
	(Increase) in loans and advances & other assets	(66.90)	(81.80)	(45.20)	(145.09)	(58.57)
	(Decrease) / increase in other liabilities and provisions	301.16	169.56	(31.77)	(283.97)	138.27
	(Decrease) / Increase in trade payables	221.64	(173.90)	439.93	56.72	(233.80)
	Cash generated from operations	**(209.56)**	**200.96**	**(885.27)**	**(471.23)**	**187.21**
	Less: Income taxes paid	273.68	160.10	198.17	184.87	264.55
	Net cash provided / (used) by operating activities	**(483.24)**	**40.86**	**(1,083.44)**	**(656.10)**	**(77.34)**
B	**Cash flows from investing activities**					
	Purchase of property, plant and equipment, intangible assets, capital work-in-progress and capital advances	(152.34)	(207.87)	(356.56)	(240.16)	(81.93)
	Proceeds from sale of property, plant and equipment	186.00	1.00	0.05	-	-
	Interest received	42.71	50.34	31.85	39.06	27.12
	Fixed deposit matured / placed with banks (with maturity more than three months)	(422.01)	182.72	(52.74)	(166.13)	(91.36)
	Net cash provided / (used) by investing activities	**(345.64)**	**26.19**	**(377.40)**	**(367.23)**	**(146.17)**

Senco Gold Limited

Annexure IV

Restated Standalone Summary Statement of Cash Flows (continued) (Rs. in million)

		For the year ended 31 March				
		2018	**2017**	**2016 Proforma**	**2015 Proforma**	**2014 Proforma**
C	**Cash flows from financing activities**					
	Proceeds from issue of share	-	-	-	44.32	-
	Premium received on issue of shares	-	-	-	755.68	-
	Dividends paid	-	(55.41)	(22.17)	-	(44.32)
	Dividend distribution tax paid	-	(11.28)	(4.51)	-	(7.53)
	Proceeds from long term borrowings	1.82	3.00	28.73	-	-
	Repayment of long term borrowings	(112.92)	(40.07)	(42.90)	-	-
	Proceeds from others borrowings (net)	1,607.51	99.94	2,333.63	45.91	651.90
	Interest paid	(365.00)	(328.66)	(270.74)	(190.00)	(131.03)
	Net cash (used) / provided by financing activities	**1,131.41**	**(332.48)**	**2,022.04**	**655.91**	**469.02**
	Net (decrease) / increase in cash and cash equivalents (A+B+C)	**302.53**	**(265.43)**	**561.20**	**(367.42)**	**245.51**
	Cash and cash equivalents at the beginning of the year	**428.33**	**693.76**	**130.74**	**498.16**	**108.31**
	Cash and cash equivalents taken over on amalgamation [refer footnote (a)]	**-**	**-**	**1.82**	**-**	**144.34**
	Cash and cash equivalents at the end of the year [refer note 11 to Annexure VII]	**730.86**	**428.33**	**693.76**	**130.74**	**498.16**

Notes:

(a) Cash and cash equivalents as on 1 April 2013 and 1 April 2015 include the following amounts taken over on amalgamation (refer note 3A and 3B to Annexure V)

Annexure IV

Restated Standalone Summary Statement of Cash Flows (continued) (Rs. in million)

	For the year ended 31 March				
	2018	**2017**	**2016 Proforma**	**2015 Proforma**	**2014 Proforma**
Cash on hand	-	-	0.16	-	0.00
Balances with scheduled banks					
- On deposit accounts	-	-	-	-	130.96
- On current accounts	-	-	1.66	-	13.38
	-	**-**	**1.82**	**-**	**144.34**

(b) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind-AS 7 'Statement of Cash Flows'.

(c) Previous years figures have been regrouped/reclassified to conform to Ind AS presentation requirements.

(d) Reconciliation of liabilities from financing activities (Rs. in million)

Borrowings	For the year ended 31 March				
	2018	**2017**	**2016 Proforma**	**2015 Proforma**	**2014 Proforma**
Balance at the beginning of the year	4,523.83	4,254.45	2,015.88	1,980.92	1,327.22
Cash flows (net)	1,496.41	62.87	2,319.46	45.91	651.90
Non-cash changes	(182.30)	206.51	(80.89)	(10.95)	1.80
Balance at the end of the year	**5,837.94**	**4,523.83**	**4,254.45**	**2,015.88**	**1,980.92**

Note: The above summary statement should be read with the Basis of preparation and Summary of Significant Accounting Policies appearing in Annexure V, Restated Standalone Statement on Adjustments to Audited Standalone Financial Statements appearing in Annexure VI and Notes (referred above) to Restated Standalone Financial Information appearing in Annexure VII.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

For and on behalf of the Board of Directors of
Senco Gold Limited
CIN: U36911WB1994PLC064637

Jayanta Mukhopadhyay
Partner
Membership No.: 055757

Sankar Sen
Managing Director
DIN: 01178744

Suvankar Sen
Executive Director
DIN: 01178803

Vikram Nagpal
Chief Financial Officer

Surendra Gupta
Company Secretary

Place : Kolkata
Date : 06 August 2018

Place : Kolkata
Date : 06 August 2018

Place : Kolkata
Date : 06 August 2018

1. Reporting Entity

Senco Gold Limited is a company domiciled in India, with its registered office situated at Kolkata. The Company has been incorporated under the provisions of Indian Companies Act, 1956. It is engaged primarily in the business of buying, selling, remodeling, manufacturing of ornaments and articles made of gold, silver, platinum and other precious and semi precious stones and allied materials, in domestic as well as international market.

2. Basis of preparation

(a) The Restated Standalone Summary Statement of Assets and Liabilities of Senco Gold Limited as at 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, the Restated Standalone Summary Statement of Profit and Loss (including Other Comprehensive Income), the Restated Standalone Summary Statement of Changes in Equity and the Restated Standalone Summary Statement of Cash Flows for each of the financial years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 and Restated Other Standalone Financial Information (together referred as ‘Restated Standalone Financial Information’) has been prepared under Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 to the extent applicable. The Company has elected to present all five years as per Ind AS/ Proforma Ind AS. The Restated Standalone Financial Information for the years ended 31 March 2016, 31 March 2015 and 31 March 2014 has been prepared on Proforma basis (i.e. “Proforma Ind AS Restated Standalone Financial Information”) in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated 31 March 2016 (“SEBI Circular”) and Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India (‘ICAI’). The Restated Standalone Financial Information has been compiled by the Company from:

1) The Audited Standalone Financial Statements of the Company for the years ended 31 March 2016, 31 March 2015 and 31 March 2014 (Audited Standalone Financial Statements) The Company had prepared the financial statements for the year ended 31 March 2015 and 31 March 2016 in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act and financial statements for the years ended 31 March 2014 in accordance with Accounting standards prescribed under Section 211 (3C) of the Companies Act, 1956 read with the Companies Accounting Standard Rules (2006) (collectively "Previous GAAP"). The Restated Standalone Financial Information for these years along with respective underlying schedules and notes are “Proforma Ind AS Restated Standalone Financial Information”, as per the Guidance note on Reports in Company Prospectuses (Revised 2016), issued by the ICAI. The Company has followed the same accounting policy choice as initially adopted on transition date i.e. 1 April 2016 while preparing Restated Standalone Financial Information for the years ended 31 March 2016, 31 March 2015 and 31 March 2014; and

2) The Audited Standalone Financial Statements of the Company for the years ended 31 March 2018 and 31 March 2017 prepared under Ind AS (for the year ended 31 March 2017, it is in accordance with Ind AS being comparative period for year ended 31 March 2018).

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of Standalone Financial Statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP" or "Indian GAAP") to Ind AS of Restated Standalone Shareholders' equity as at 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 and of the Restated Standalone Summary Statement of profit and loss for the years ended 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014. Refer Annexure VI for details of the same.

The Restated Standalone Financial Information have been prepared by the management in connection with the proposed listing of equity shares of the Company, to be filed by the Company with the Securities and Exchange Board of India ('the SEBI'), relevant Registrar of Companies, as applicable and the concerned Stock Exchanges in accordance with the requirements of:

a) Section 26 of the Companies Act, 2013;
b) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the SEBI on August 26, 2009, as amended to date in pursuance of provisions of Securities and Exchange Board of India Act, 1992 read along with SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 (together referred to as 'the ICDR regulations'); and
c) Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the ICAI (referred to as 'the Guidance note').

These Restated Standalone Financial Information have been compiled by the Company from the Audited Standalone Financial Statement and:
• there were no audit adjustments on these Restated Standalone Financial Information except as mentioned in note (v) to Annexure VI,
• there were no changes in accounting policies under Previous GAAP during the years of these financial statements,
• material amounts relating to adjustments for previous years in arriving at profit/loss of the years to which they relate, have been appropriately adjusted, refer Annexure VI,
• adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited Standalone Financial Statements of the Company as at and for the year ended 31 March 2018 prepared under Ind AS and the requirements of the ICDR Regulations, and
• the resultant tax impact on above adjustments has been appropriately adjusted in deferred taxes in the respective years to which they relate.

These Restated Standalone Financial Information were adopted by the IPO Committee of the Company, in its meeting held on 6th August 2018.

(b) Functional and Presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency. All amounts have been rounded off to the nearest million, unless otherwise indicated.

(c) Basis of measurement

The financial statements have been prepared on historical cost convention on the accrual basis, except for the following items:

Items	**Measurement basis**
Derivative financial instruments	Fair Value Through Profit or Loss ("FVTPL")
Certain financial assets and financial liabilities	Fair value

Assets held for sale	Lower of its carrying amount and fair value less costs to sell
Investment in certain equity shares of entities other than subsidiary companies	Fair Value Through Other Comprehensive Income ("FVOCI")
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

(d) Use of estimates and judgements

The preparation of the Company's Restated Standalone Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these Restated Standalone Financial Information have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. The changes in the estimates are reflected in the Restated Standalone Financial Information in the period in which changes are made and, if material, their effects are disclosed in the notes to the Restated Standalone Financial Information.

(e) Critical accounting estimates and key sources of estimation uncertainty : Key assumptions

Useful lives of Property, plant and equipment

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using certain valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as volatility risk, credit risk and volatility. See note 41 to Annexure VII for details.

Defined benefit plan

The cost of the defined benefit plan includes gratuity and the present value of the gratuity obligation are determined using actuarial valuations using projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. See note 34 to Annexure VII for details.

Recognition of current tax and deferred tax

Current taxes are recognised at tax rates (tax laws) enacted or substantively enacted by the reporting date and the amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. See note 6 to Annexure VII for details.

Recognition and measurement of provisions and contingencies

The certain key assumptions about the likelihood and magnitude of an outflow of resources. Provision is towards known contractual obligation, litigation cases and pending assessments in respect of taxes, duties and other levies in respect of which management believes that there are present obligations and the settlement of such obligations are expected to result in outflow of resources, to the extent provided for.

(f) Measurement of fair values

A number of the Company’s accounting policies and disclosures require the measurement of fair values, for financial assets and financial liabilities.

The Company has an established control framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in note 41 to Annexure VII.

3. Significant accounting policies

(a) Current–non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

Assets

An asset is classified as current when it satisfies any of the following criteria:

(a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is expected to be realised within 12 months after the reporting date; or

(d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

(a) it is expected to be settled in the Company's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is due to be settled within 12 months after the reporting date; or

(d) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

Based on the nature of operations, the Company has ascertained its operating cycle for the purpose of current and non-current classification of assets and liabilities as 12 months. Operating cycle is the time between the purchase of raw materials for processing and their realisation in cash or cash equivalents.

(b) Property, plant and equipment (PPE)

(i) Recognition and measurement

Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation. The cost of an item of property, plant and equipment comprises its purchase price 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.

Items such as spare parts, stand-by equipment and servicing equipment are capitalised as PPE only if they are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and are expected to be used during more than a period of twelve months.

Property, plant and equipment under construction are disclosed as capital work-in-progress.

A PPE is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal.

Assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value and shown separately under ‘Current assets’. Losses arising from retirement or gains or losses arising from disposal of PPE which are carried at cost are recognised in the Statement of Profit and Loss.

(ii) Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment. The Company has followed the same accounting policy choice as initially adopted on transition date i.e. 1 April 2016 while preparing restated standalone financial information for the years ended 31 March 2016, 31 March 2015 and 31 March 2014.

(iii) Subsequent expenditure

Subsequent expenditures related to an item of property, plant and equipment are added to its book value only if it is probable that future economic benefits associated with the item will flow to the enterprise and the cost of the item can be measured reliably.

(iv) Depreciation

Property, plant and equipment

Depreciation in respect of all the assets is provided on written down value method over their useful lives, as estimated by the management. Useful lives so estimated are in line with the useful lives indicated by Schedule II to the Companies Act, 2013 except for lease hold building and lease hold improvements which have been depreciated over the useful lives which are higher than the respective period of lease. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year.

Plant and equipment and furniture and fittings, costing individually Rs. 0.005 million or less, are depreciated fully in the year of purchase.

Lease hold building and lease hold improvement is being depreciated over the period of 20 years.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on the management evaluation useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed off).

(v) Reclassification to Investment Property

When the use of a property changes from owner occupied to investment property, the property is reclassified as investment property at its carrying value on the date of reclassication.

(c) Intangible assets

(i) Recognition and measurement

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and accumulated impairment loss, if any.

(ii) Subsequent expenditure

Subsequent expenditures related to an item of intangible assets are added to its book value only if it is probable that future economic benefits associated with the item will flow to the enterprise and the cost of the item can be measured reliably.

(iii) Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets. The Company has followed the same accounting policy choice as initially adopted on transition date i.e. 1 April 2016 while preparing restated standalone financial information for the years ended 31 March 2016, 31 March 2015 and 31 March 2014.

(iv) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the written down value method, and is included in depreciation and amortisation in Statement of Profit and Loss.

Class of assets	**Useful life**
Computer software	5 years

Amortisation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(d) Financial instruments

(i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at:

- amortised cost; or

- fair value through Other Comprehensive Income (FVOCI) - Equity Investment; or
- fair value through Profit or Loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

(a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The effective interest rate (EIR) amortisation is included in finance income in the Restated Standalone Statement of Profit and Loss. This category generally applies to long-term deposits and long-term trade receivables.

Financial assets at fair value through other comprehensive income (FVOCI)

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in OCI (designated as FVOCI-equity investment). This election is made on an investment-by-investment basis.

Financial assets are measured at the FVOCI if both of the following conditions are met:

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) The asset’s contractual cash flows represent SPPI.

Financial assets included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI).

In accordance with Ind AS 101, the Company has irrevocably designated its investment in equity instruments as FVOCI on the date of transition to Ind AS.

Financial assets at fair value through profit or loss (FVTPL)

All financial assets which are not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest (SPPI).

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:
- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non- recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of Profit and Loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method (EIR). The amortised cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is recognised in Statement of Profit and Loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to Statement of Profit and Loss.

Financial liabilities: Classification, subsequent measurement and gains and losses
Financial liabilities are classified as measured at amortised cost or FVTPL.

Financial liabilities through fair value through profit or loss (FVTPL)
A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Financial liabilities at amortised cost
Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss.
Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

Interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

(iii) Derecognition
Financial assets
The Company derecognises a financial asset:
- when the contractual rights to the cash flows from the financial asset expire, or
- it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retires either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities
The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Statement of Profit and Loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

(vi) Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

The Company enters into purchase of gold contract, in which the amount payable is not fixed based on gold price on the date of purchase, but instead is affected by changes in gold prices in future. Such transactions are entered into to protect against the risk of gold price movement in the purchased gold. Accordingly, such unfixed payables are considered to have an embedded derivative. The Company designates the gold price risk in such instruments as hedging instruments, with gold inventory considered to be the hedged item. The hedged risk is gold prices in USD. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes the Company’s risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated. Changes in fair value of the hedging instrument attributable to the risk hedged is recorded as part of the carrying value of the hedged item.

Embedded derivative are accounted for as separate derivative and recorded at fair value with changes in fair value recognised in Statement of Profit and Loss.

(e) Inventories

Inventory of raw materials are carried at cost. The carrying cost of raw materials held for use in the production of inventories are appropriately written down when there is a decline in replacement cost of such materials and the finished products in which they will be incorporated are expected to be sold and it is estimated that the cost of the finished products will exceed their net realisable value.

Inventory of finished goods and stock-in-trade are valued at the lower of cost and net realisable value. Cost of finished goods include costs of raw material, direct labour and other directly attributable expenses incurred in bringing such goods to their present location and condition.

In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

In determining the cost, weighted average method is used. Alloys and consumables are charged off to the Statement of Profit and Loss.

The comparison of cost and net realisable value is made on an item-by-item basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

(f) Impairment

(i) Impairment of financial instruments: financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivable with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in Statement of Profit and Loss.

In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including subsequent information.

(ii) Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest Company of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g. corporate office for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss.

Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(g) Non current assets held for sale

Non Current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuous use.

Such assets are generally measured at the lower of their carrying amount and fair value less cost to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in Statement of Profit or Loss.

Once classified as held for sale, intangible assets, property, plant and equipment and investment properties are no longer amoritsed or depreciated.

(h) Employee benefits expense

The Company's obligations towards various employee benefits have been recognised as follows:

(i) Short term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Post employment benefits

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions for employee provident fund to Government administered provident fund scheme, which are defined contribution plans. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan (‘the asset ceiling’). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements. The Company recognises all actuarial gains and losses arising from defined benefit plan immediately in the Statement of Profit and Loss.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other comprehensive income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service (‘past service cost’ or ‘past service gain’) or the gain or loss on curtailment is recognised immediately in Statement of profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested.

(iv) Other long term employees benefits

Compensated absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences (which includes privilege leave and sick leave) in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Remeasurements gains and losses are recognised in Statement of Profit and Losses in the period in which they arise.

(i) Revenue recognition

Revenue from sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and quantity discounts and exclusive of Sales tax, Value added tax (VAT), Goods and Service Tax (GST) and is inclusive of excise duty. This inter alia involves discounting of the consideration due to the present value if payment extends beyond normal credit terms. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably. The timing of transfers of risks and rewards varies depending on the individual terms of sale.

Rendering of services

Revenue from services rendered is recognised in profit and loss in proportion to the stage of completion of the transactions at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

Upfront/one time fees/charges received from franchises at the time of entering into such agreement/ contract is recognised as and when received.

Recognition of dividend income, interest income or expense

Dividend income is recognised in Statement of Profit and Loss on the date on which the Company’s right to receive payment is established.

Interest income or expense is recognised using the effective interest method. The ‘effective interest rate’ is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(j) Operating leases

Payments made under operating leases are generally recognised in Statement of Profit and Loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor’s expected inflationary cost increases.

(k) Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

(l) Foreign exchange transactions

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

(m) Income tax

Income tax expense comprises of current tax and deferred tax. Current tax and deferred tax is recognised in the Statement of profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in Other Comprehensive Income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only, if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (tax base). Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- taxable temporary differences arising on the initial recognition of goodwill.

In case of tax payable as Minimum Alternative Tax (‘MAT’) under the provisions of the Income tax Act, 1961, the credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for setoff against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

(n) Cash and cash equivalents

Cash and cash equivalents include cash and cash-on-deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

(o) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a 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. The cash flows from operating, investing and financing activities of the Company are segregated.

(p) Earnings per share

Basic earnings per share is 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.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(q) Investment in subsidiary

The Company has elected to recognise its investments in subsidiary company at cost in accordance with the option available in Ind AS 27 in Restated Standalone Financial Information.

(r) Financial guarantee

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

(s) Operating segment

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance. The Company is engaged primarily in the business of buying, selling, remodeling, manufacturing of ornaments and articles made of gold, silver, platinum and other precious and semi precious stones and allied materials, in domestic as well as international market. The performance of the Company is assessed and reviewed by the CODM as a single operating segment and accordingly sale of gold jewellery and other articles is the only operating segment.

(t) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(u) Dividend

Dividend paid or payable shall be recognised in the year in which the related dividends are approved by shareholders or board of directors as appropriate.

(v) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(w) 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 the obligation or a reliable estimate of the amount cannot be made.

3A Scheme of Amalgamation

(a) A Scheme of Amalgamation of Senco Gold Impex Private Limited (referred to as "Transferor Company") and Senco Gold Limited (the Company, Transferee company) under Sections 391 to 394 of the Companies Act, 1956 ("the Scheme") had been approved by the Board of Directors of the Company vide resolution dated 02 December 2013 and by all shareholders of the Company vide their consent given on 03 January 2014 and sanctioned by the Honourable High Court of Calcutta (vide its Order dated 15 May 2014).

(b) The Scheme became effective on 31 May 2014 ("Effective Date") on filing of the last of the certified copies of the Orders with the Registrar of Companies. The Appointed Date from which the Scheme was operative was 1 April 2013 (the "Appointed Date").

(c) The Transferor Company, a wholly owned subsidiary of the Transferee company, as well as the Transferee company were engaged in manufacturing of ornaments and articles made of precious and semi precious stones and allied materials and remodeling, trading, buying and selling in domestic as well as international market.

(d) Consequent to the Scheme becoming effective from the Appointed Date, the entire business and undertakings of the Transferor Company, including all assets, debts, liabilities, duties and obligations had, but subject to the charges affecting the same as on the Effective Date, been transferred and vested in the Company. On the Scheme becoming effective, all staff, workmen and employees of the Transferor Company in service on the Effective Date, were deemed to have become staff, workmen and employees of the Company.

(e) During the period from the Appointed Date to the Effective Date, the Transferor Company had been deemed to have carried on their respective business and activities for and on account of and in trust for the Company.

(f) The entire paid-up equity share capital of Transferor company was held by Transferee company. Therefore, upon this Scheme being effective, the entire Issued, Subscribed and Paid-up share capital of Transferor company were cancelled on the Effective Date and no shares of Transferee company were issued or allotted with respect to the equity shares held by Transferee company in Transferor company in consideration for the amalgamation.

(g) In terms of the Scheme, the authorized share capital of Transferee company was enhanced to an amount of Rs. 310 million divided into 31,000,000 (Three crore and ten lakh) equity shares of Rs. 10/- (Rupees ten) each.

(h) In terms of the Scheme, the Company had accounted for the amalgamation in its books of account with effect from the Appointed Date as per the 'Pooling of Interest Method', as described in Accounting Standard – 14 "Accounting for Amalgamations" issued by the Institute of Chartered Accountants of India. Accordingly,

- All assets, liabilities, debts and reserves of Transferor company were transferred to and vested in Transferee company pursuant to the Scheme and are recorded by Transferee company at their respective book values as on the Appointed Date.
- With effect from the Appointed Date and upon the Scheme becoming effective, the investment of Transferee company in Transferor company was cancelled.
- Loans, advances, amount receivable or payable inter-se between Transferor company and Transferee company, appearing in the books of account of Transferee company and/or Transferor company, if any, had been cancelled.

• The difference in the value of net assets and reserves of Transferor Company to be vested in Transferee Company, after adjustment of the cancellation of investments of Transferee Company and loans, advances, amount receivable or payable as per clause above, would be adjusted against the Securities Premium Account of Transferee Company post consolidation.

Rs. in million

(i)

Particulars	**Total**
Fixed Assets	8.93
Minimum Alternative Tax credit entitlement	29.17
Inventories	21.75
Trade Receivables	510.35
Cash and Bank balances	144.35
Loans and Advances	11.97
Total	**726.52**
Deferred tax liabilities (net)	0.89
Provisions	7.26
Short-term borrowings	213.37
Trade payables	2.32
Other current liabilities	1.56
Securities premium	80.00
General reserve	401.12
Total	**706.52**
Net assets taken over	**20.00**
Less: Investments held by the Transferee Company in the Transferor Company	100.00
Excess of investments over net assets to be adjusted with securities premium	(80.00)

The amalgamation has been accounted for in accordance with the treatment prescribed in the Scheme, as set out in paragraph 3A(h) above. Also refer note 43(A)(i):

The accounting treatment followed by the Company pursuant to the Scheme approved by the Hon’ble High Court, as set out in paragraph 3A(h) above, is similar to the pooling of interest method. Accordingly, general reserve and securities premium account aggregating to Rs. 401.12 million and Rs. 80 million respectively, as appearing in the books of account of the transferor companies immediately prior to the amalgamation had been recognised as general reserve and securities premium account in the books of account of the Company. However, the difference between the net assets acquired by the Company on amalgamation amounting to Rs. 80 million had been adjusted against the securities premium account instead of adjusting against reserves.

3B Scheme of Amalgamation

(a) A scheme of amalgamation of erstwhile Addyashakti Properties Private Limited (referred to as "Transferor Company") and Senco Gold Limited (the Company, Transferee company) under Sections 391 to 394 of the Companies Act, 1956 ("the Scheme") had been approved by the Board of Directors of the Company vide resolution dated 20 January 2015 and by all shareholders of the Company vide their consent given on 27 January 2015 and sanctioned by the Honourable High Court of Calcutta (vide its Order dated 14 June 2016).

(b) The Scheme became effective on 9 August 2016 ("Effective Date") on filing of the last of the certified copies of the Orders with the Registrar of Companies. The Appointed Date from which the Scheme was operative was 1 April 2015 (the "Appointed Date").

(c) The Transferee Company is engaged in the business of manufacturing, buying, selling and dealing in business of jewelleries, gold smiths, ornaments,etc. The Transferor Company, a wholly owned subsidiary of the Transferee company, and was a company under the same management group and was engaged in the business of purchase and renting of properties. Therefore, the amalgamation of Transferor Company with the Transferee Company will combine synergies and enable the amalgamated company to focus on their core business of jewellery business.

(d) Consequent to the Scheme becoming effective from the Appointed Date, the entire business and undertakings of the Transferor Company, including all assets, debts, liabilities, duties and obligations had, but subject to the charges affecting the same as on the Effective Date, been transferred and vested in the Company. On the Scheme becoming effective, all staff, workmen and employees of the Transferor Company in service on the Effective Date, were deemed to have become staff, workmen and employees of the Company.

(e) During the period from the Appointed Date to the Effective Date, the Transferor Company had been deemed to have carried on their respective business and activities for and on account of and in trust for the Company.

(f) The entire paid-up equity share capital of Transferor company was held by Transferee company. Therefore, upon this Scheme being effective, the entire Issued, Subscribed and Paid-up share capital of Transferor company were cancelled on the Effective Date and no shares of Transferee company were issued or allotted with respect to the equity shares held by Transferee company in Transferor company in consideration for the amalgamation.

(g) In terms of the Scheme, the authorized share capital of Transferee company was enhanced to an amount of Rs. 320 million divided into 27,500,000 (Two crore and seventy five lakh) equity shares of Rs. 10/- (Rupees ten) each and 4,500,000 (Forty five lakh) preference shares of Rs. 10/- (Rupees ten) each.

(h) In terms of the Scheme, the Company had accounted for the amalgamation in its books of account with effect from the Appointed Date as per the 'Pooling of Interest Method', as described in Accounting Standard – 14 "Accounting for Amalgamations" issued by the Institute of Chartered Accountants of India. Accordingly,

• All assets, liabilities, debts and reserves of Transferor company were transferred to and vested in Transferee company pursuant to the Scheme and are recorded by Transferee company at their respective book values as on the Appointed Date.

• With effect from the Appointed Date and upon the Scheme becoming effective, the investment of Transferee company in Transferor company was cancelled.

• Loans, advances, amount receivable or payable inter-se between Transferor company and Transferee company, appearing in the books of account of Transferee company and/or Transferor company, if any, had been cancelled.

• The difference in the value of net assets and reserves of Transferor Company to be vested in Transferee Company, after adjustment of the cancellation of investments of Transferee Company and loans, advances, amount receivable or payable as per clause above, would be adjusted against the Surplus (Profit and loss balance) of Transferee Company post consolidation.

Rs. in million

(i)

Particulars	**Total**
Fixed assets	229.92
Investment	0.01
Deferred tax Assets (net)	9.60
Cash and bank balances	1.82
Long term loans and advances	9.87
Short term loans and advances	6.28
Other current assets	2.25
Total	**259.75**
Long-term borrowings	230.94
Other current liabilities	29.27
Surplus (Profit and loss balance)	(2.46)
Total	**257.75**
Net assets taken over	**2.00**
Less: Investments held by the Transferee Company in the Transferor Company	2.00
Excess of investments over net assets to be adjusted with Surplus (Profit and loss balance)	Nil

The amalgamation has been accounted for in accordance with the treatment prescribed in the Scheme, as set out in paragraph 3B(h) above. Also refer note 43(A)(i):

The accounting treatment followed by the Company pursuant to the Scheme approved by the Hon'ble High Court, as set out in paragraph 3B(h) above, is similar to the pooling of interest method. Accordingly, debit balance in profit and loss aggregating to Rs. 2.46 million, as appearing in the books of account of the transferor company immediately prior to the amalgamation had been recognised under Surplus (Profit and loss balance) in the books of account of the Company.

3C Recent accounting pronouncements- Standard issued but not yet effective
On 28 March 2018, Ministry of Corporate Affairs (MCA) has notified new standards and amendments to existing standards. These amendments are effective 1 April 2018.

(i) Revenue from contracts with customers- Ind AS 115
Ind AS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue and Ins AS 11 Construction Contracts. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. This Standard permits two possible methods of transition i.e. retrospective approach and modified retrospective method.

The Company is in the process of evaluating and identifying the key impacts along with transition options to be considered while transiting to Ind AS 115.

Amendments to existing Ind AS
The following amended standards are not expected to have a significant impact on the Company's standalone financial statements. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Company when it adopts the respective standards.

(i) Ind AS 40 - Investment Property
The amendment lays down the principle regarding the transfer of asset to, or from, investment property.

(ii) Ind AS 21 - The Effects of Changes in Foreign Exchange Rates
The amendment lays down principles to determine the date of transaction when a company recognizes a nonmonetary prepayment asset or deferred income liability.

(iii) Ind AS 12 – Income Taxes
The amendments explain that determining temporary differences and estimating probable future taxable profit against which deductible temporary differences are assessed for utilization are two separate steps.

Annexure VI - Restated Standalone Statement on Adjustments to Audited Standalone Financial Statements

i. Material Ind AS adjustments and restatement adjustments

Summarised below are the restatement adjustments made to the audited standalone financial statements for the years ended 31 March 2018, 2017, 2016, 2015 and 2014 and their impact on the profit/ (loss) of the Company:

(Rs. in million)

	Particulars	Note No.	For the year ended 31 March				
			2018	2017	2016 Proforma	2015 Proforma	2014 Proforma
A.	**Net profit after tax as per audited financial statements prepared under previous GAAP**		**-**	**335.49**	**206.98**	**366.81**	**364.94**
B.	**Ind AS adjustments**						
	Changes in fair value of equity instruments designated at FVOCI		-	-	0.09	-	-
	Other income - unwinding of discount on security deposits and others		-	5.79	4.89	1.97	0.27
	Other income - gain on derecognition security deposits and others		-	0.23	-	-	-
	Other income - on discounting of financial liabilities/provision	Note 43 to Annexure VII	-	0.48	0.49	0.43	0.32
	Finance costs - borrowings at amortised cost		-	(0.46)	(0.49)	(0.26)	(0.34)
	Other expenses - amortisation of financial assets		-	(8.31)	(7.19)	(3.18)	(0.34)
	Cost of materials consumed - derivative		-	5.38	(3.26)	(1.19)	(0.08)
	Changes in inventories of finished goods and stock-in-trade - derivative		-	82.74	(64.18)	(7.77)	(0.81)
	Tax impact on above adjustments		-	(29.71)	24.17	3.40	0.33
	Total impact of Ind AS adjustments		**-**	**56.14**	**(45.48)**	**(6.60)**	**(0.65)**
C.	**Net Profit after tax as per Ind AS (A+B)**		**724.28**	**391.63**	**161.50**	**360.21**	**364.29**
D.	**Material adjustments on account of restatement**						
	Bad debts	(iii) (1)	12.68	-	-	(10.61)	(2.07)
	Liability no longer required written back	(iii) (2)	(5.53)	0.63	(8.15)	7.88	1.64
	Tax impact on above adjustments	(iii) (3)	(2.47)	(0.23)	2.82	0.94	0.15
	Total impact of the adjustments		**4.68**	**0.40**	**(5.33)**	**(1.79)**	**(0.28)**
E.	**Total comprehensive income for the year (C+D)**		**728.96**	**392.03**	**156.17**	**358.42**	**364.01**

Note: To be read together with summary of significant accounting policies in Annexure V and notes to the restated standalone financial information in Annexure VII.

Annexure VI - Restated Standalone Statement on Adjustments to Audited Standalone Financial Statements

ii Material restatement adjustments and Ind AS adjustments made in the Reserve and Surplus as at 1 April 2013

	Particulars	Note No.	1 April 2013
A.	**Reserves and surplus as per previous GAAP**		**749.64**
B.	**Ind AS adjustments**		
	Loans (amortisation of security deposits given)	Note 43 to Annexure VII	0.18
	Borrowings at amortised cost		0.37
	Financial liabilities (amortisation of security deposits taken)		(0.29)
	Derivatives		0.67
	Tax impact on above adjustments		(0.32)
	Total impact of Ind AS adjustments		**0.61**
C.	**Material adjustments on account of restatement**		
	Liability no longer required written back	(iii) (2)	3.53
	Tax impact on above adjustments		(1.21)
	Total impact of the adjustments		**2.32**
D.	**Reserves and surplus as restated (A+B+C)**		**752.57**

(iii) Material adjustments on account of restatement

1. In the financial statements for the year ended 31 March 2018, certain bad debts were written off. For the purpose of this statement, the said bad debts written off have been appropriately adjusted in the respective financial years to which they relate.

2. In the financial statements for the years ended 31 March 2018, 31 March 2017, 31 March 2016 and 31 March 2014, certain liabilities and provisions, which were recorded in earlier years, were written back. For the purpose of this statement, the said liabilities and provisions have been appropriately adjusted in the respective financial years to which they relate.

3. The corporate tax rate applicable for the respective years has been used to calculate the deferred tax impact on the adjustments.

4. Useful life

Considering the applicability of Schedule II to the Companies Act, 2013, management has re-estimated useful lives and residual values of all its property, plant and equipment, as detailed in Summary of Significant Accounting Policies in Annexure V. Pursuant to this change in useful life of property, plant and equipment, the depreciation charge for the year ended 31 March 2015 is higher by Rs. 20.14 million and an amount of Rs. 0.23 million (net of deferred tax of Rs. 0.12 million) in respect of assets whose useful life is already exhausted as on 1 April 2014 has been adjusted from retained earnings as on 1 April 2014. This adjustment has not been adjusted with retrospective effect in the preceding financial years, as it does not represent an error/omission or a change in accounting policy.

(iv) Material regrouping:

Appropriate adjustments have been made in the Restated Standalone Statements of Assets and Liabilities, Profit and Loss, Cash Flows and other disclosures, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company for the year ended 31 March 2018.

Annexure VI - Restated Standalone Statement on Adjustments to Audited Standalone Financial Statements (continued)

(v) Non-adjusting items

In addition to the audit opinion on the financial statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2016 ("CARO 2016") issued by the Central Government of India terms of sub-section (11) of Section 143 of the Companies Act, 2013 for the years ended 31 March 2018, 31 March 2017 and 31 March 2016, Companies (Auditor's Report) Order, 2015 ("CARO 2015") issued by the Central Government of India terms of sub-section (11) of Section 143 of the Companies Act, 2013 for the year ended 31 March 2015 and the Companies (Auditor's Report) Order, 2003 ("CARO 2003") issued by the Central Government of India under sub section (4A) of Section 227 of the Companies Act, 1956 for the years ended 31 March 2014. Certain statements/comments included in the annexure to the Audit report on the financial statements (i.e. CARO 2016, CARO 2015 and CARO 2003, as applicable), which do not require any adjustments in the Restated Standalone Financial Information are reproduced below in respect of the financial statements presented.

Financial Year: 2017-18

1) Clause (i) (c)

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except the following:-

Asset Description	Classification	Gross Block (Rs. in million)	Net Block (Rs. in million)	Remarks
Building in Kolkata (HO)	Freehold Building	87.23	64.65	Title deed in the name of Addyashaki Properties Private Limited *
Building in Mumbai	Freehold Building	142.69	105.75	Title deed in the name of Addyashaki Properties Private Limited *
Building in SEZ	Leasehold Building	6.94	3.09	Title deed in the name of Senco Gold Impex Private Limited *
Building in Kolkata	Leasehold property	16.57	7.17	Title deed in the name of Senco Gold Private Limited

*These properties have been acquired by the Company on account of merger with its subsidiaries. The Company is in the process of getting the title deeds transferred.

2) Clause (v)

According to the information and explanations given to us, during the year the company has settled customer advances taken under certain schemes amounting to Rs.145.56 million which was lying outstanding for more than three hundred and sixty five days. Further, such customer advances amounting to Rs. 16.44 million remains outstanding as at 31 March 2018.

3) Clause (vii)

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, sales tax, value added tax, service tax, goods and services tax, excise duty, custom duty, cess, income tax and any other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, sales tax, value added tax, service tax, goods and services tax, excise duty, custom duty, cess, income tax and any other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Service tax, Excise duty, Custom duty, Value added tax and Entry Tax which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:

Name of the statute	Nature of dues	Amount (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income tax*	3.22	Assessment Year 2008-09	Income Tax Appellate Tribunal
Income-tax Act, 1961	Income tax	15.57	Assessment Year 2010-11	Commissioner of Income Tax (Appeals)
Income-tax Act, 1961	Income tax	23.02	Assessment Year 2011-12	Income Tax Appellate Tribunal
Income-tax Act, 1961	Income tax @	4.84	Assessment Year 2011-12	Income Tax Appellate Tribunal

Annexure VI - Restated Standalone Statement on Adjustments to Audited Standalone Financial Statements (continued)

Income-tax Act, 1961	Income tax *	40.11	Assessment Year 2012-13	Commissioner of Income Tax (Appeals)
West Bengal Value Added Tax Act, 2003	Value Added Tax	1.56	Financial Year 2008-09	West Bengal Commercial Taxes Appellate & Revisional Board
West Bengal Value Added Tax Act, 2003	Value Added Tax @	1.48	Financial Year 2008-09	West Bengal Commercial Taxes Appellate & Revisional Board
West Bengal Value Added Tax Act, 2003	Value Added Tax	1.16	Financial Year 2013-14	West Bengal Commercial Taxes Appellate & Revisional Board
West Bengal Value Added Tax Act, 2003	Value Added Tax	1.29	Financial Year 2014-15	Joint Commissioner, Commercial Tax
Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	1.84	Financial Year 2014-15	Joint Commissioner, Commercial Tax
Central Excise Act, 1944	Disallowance of Cenvat Credit #	18.65	2011 to 2013	Central Excise and Service Tax Appellate Tribunal
Finance Act,1994	Service Tax	5.93	2010-11 to 2014-15	Commissioner (Appeals)
Finance Act,1994	Service Tax **	21.58	2010-11 to 2014-15	Commissioner (Appeals)

*Out of the above, Rs. 8.66 million has been deposited by the Company under protest
Out of the above, Rs. 0.93 million has been deposited by the Company under protest
** Out of the above, Rs. 0.73 million has been deposited by the Company under protest
@ Pertaining to Senco Gold Impex Private Limited, now merged with the Company

Financial Year: 2016-17

1) Clause (i) (c)

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except the following:-

Asset Description	Classification	Gross Block (Rs. in million)	Net Block (Rs. in million)	Remarks
Building in Kolkata (HO)	Freehold Building	87.23	71.44	Title deed in the name of Addyashaki Properties Private Limited *
Building in Mumbai	Freehold Building	142.69	116.85	Title deed in the name of Addyashaki Properties Private Limited *
Building in SEZ	Leasehold Building	6.94	3.47	Title deed in the name of Senco Gold Impex Private Limited *
Building in Kolkata	Leasehold property	16.57	8.05	Title deed in the name of Senco Gold Private Limited

*These properties have been acquired by the Company on account of merger with its subsidiaries. The Company is in the process of getting the title deeds transferred.

2) Clause (v)

According to the information and explanations given to us, during the year the company has settled customer advances taken under certain schemes amounting to Rs.106.46 million which was lying outstanding for more than three hundred and sixty five days. Further, such customer advances amounting to Rs. 8.02 million remains outstanding as at 31 March 2017.

3) Clause (vii)

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, sales tax, value added tax, service tax,duty of custom, cess and any other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there have been certain delays in large number of cases of income taxes and duty of excise. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, sales tax, value added tax, service tax,duty of custom, cess and any other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

Annexure VI - Restated Standalone Statement on Adjustments to Audited Standalone Financial Statements (continued)

b) According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Value added tax, Service tax, Duty of Excise and Duty of Customs which have not been deposited with the appropriate authorities on account of any dispute except as mentioned below:

Name of the statute	Nature of dues	Amount (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income tax*	0.84	Assessment Year 2007-08	Income Tax Appellate Tribunal
Income-tax Act, 1961	Income tax*	3.22	Assessment Year 2008-09	Income Tax Appellate Tribunal
Income-tax Act, 1961	Income tax	15.57	Assessment Year 2010-11	Commissioner of Income Tax (Appeals)
Income-tax Act, 1961	Income tax	23.02	Assessment Year 2011-12	Income Tax Appellate Tribunal
Income-tax Act, 1961	Income tax @	4.84	Assessment Year 2011-12	Income Tax Appellate Tribunal
Income-tax Act, 1961	Income tax *	40.11	Assessment Year 2012-13	Commissioner of Income Tax (Appeals)
West Bengal Value Added Tax Act, 2003	Value Added Tax	1.56	Financial Year 2008-09	West Bengal Commercial Taxes Appellate & Revisional Board
West Bengal Value Added Tax Act, 2003	Value Added Tax @	1.48	Financial Year 2008-09	West Bengal Commercial Taxes Appellate & Revisional Board
West Bengal Value Added Tax Act, 2003	Value Added Tax	1.16	Financial Year 2013-14	West Bengal Commercial Taxes Appellate & Revisional Board
Central Excise Act, 1944	Disallowance of Cenvat Credit #	9.33	2011 to 2013	Central Excise and Service Tax Appellate Tribunal
Finance Act,1994	Service Tax	5.93	2010-11 to 2014-15	Commissioner (Appeals)

*Out of the above, Rs. 9.50 million has been deposited by the Company under protest
Out of the above, Rs. 0.93 million has been deposited by the Company under protest
@ Pertaining to Senco Gold Impex Private Limited, now merged with the Company

Financial Year: 2015-16

1) Clause (i) (c)

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except the followings:

Asset Description	Classification	Gross Block (Rs. in million)	Net Block (Rs. in million)	Remarks
Building in Kolkata (HO)	Freehold Building	87.23	78.94	Title deed in the name of Addyashaki Properties Private Limited *
Building in Mumbai	Freehold Building	142.69	129.13	Title deed in the name of Addyashaki Properties Private Limited *
Building in SEZ	Leasehold Building	6.94	3.90	Title deed in the name of Senco Gold Impex Private Limited *
Building in Kolkata	Leasehold property	16.57	9.03	Title deed in the name of Senco Gold Private Limited

*These properties have been acquired by the Company on account of merger with its subsidiaries. The Company is in the process of getting the title deeds transferred.

2) Clause (v)

According to the information and explanations given to us, during the year the company has settled customer advances taken under certain schemes amounting to Rs.167.77 million which was lying outstanding for more than three hundred and sixty five days. Further, such customer advances amounting to Rs. 8.89 million remains outstanding as at 31 March 2016.

Annexure VI - Restated Standalone Statement on Adjustments to Audited Standalone Financial Statements (continued)

3) Clause (vii)

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, sales tax, value added tax, service tax,duty of custom, cess and any other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there have been certain delays in large number of cases of income taxes. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, sales tax, value added tax, service tax,duty of custom, cess and any other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable except for the following:

Name of the Statute	Nature of the dues	Amount (Rs. in million)	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
Income Taxes	Tax Deducted at Source u/s 194C	0.02	August 2015	7 September 2015	1 July 2016	

b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, value added tax, duty of excise and duty of custom which have not been deposited with the appropriate authorities on account of any dispute except as mentioned below:

Name of the statute	Nature of dues	Amount (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income tax*	0.84	Assessment Year 2007-08	Income Tax Appellate Tribunal
Income-tax Act, 1961	Income tax*	3.22	Assessment Year 2008-09	Commissioner of Income Tax (Appeals)
Income-tax Act, 1961	Income tax	15.57	Assessment Year 2010-11	Commissioner of Income Tax (Appeals)
Income-tax Act, 1961	Income tax	23.02	Assessment Year 2011-12	Commissioner of Income Tax (Appeals)
Income-tax Act, 1961	Income tax	4.84	Assessment Year 2011-12	Commissioner of Income Tax (Appeals)
Income-tax Act, 1961	Income tax *	40.11	Assessment Year 2012-13	Commissioner of Income Tax (Appeals)
West Bengal Value Added Tax Act, 2003	Value Added Tax	1.56	Financial Year 2008-09	West Bengal Commercial Taxes Appellate & Revisional Board
West Bengal Value Added Tax Act, 2003	Value Added Tax	1.48	Financial Year 2008-09	West Bengal Commercial Taxes Appellate & Revisional Board
Central Excise Act, 1944	Disallowance of Cenvat Credit #	9.33	2011 to 2013	Central Excise and Service Tax Appellate Tribunal

*Out of the above, Rs. 9.50 million has been deposited by the Company under protest

Out of the above, Rs. 0.93 million has been deposited by the Company under protest

<u>**Financial Year: 2014-15**</u>

1) Clause (iv)

In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the sale of goods and services. In our opinion and according to the information and explanations given to us, the Company's internal control system in relation to purchase of certain fixed assets and purchase of certain inventories needs to be further strengthened in terms of inviting comparative quotations and maintenance of supporting documents. Apart from the above, there is no continuing failure to correct major weakness in the internal control system.

Annexure VI - Restated Standalone Statement on Adjustments to Audited Standalone Financial Statements (continued)

2) Clause (vii)

(a) According to the information and explanations given to us and on the basis of our examination of the records of the company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, customs duty, value added tax, cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Wealth tax and excise duty.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, value added tax, cess and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of service tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute. According to the information and explanations given to us, dues of income tax, sales tax, excise duty and value added tax which have not been deposited with the appropriate authorities on account of dispute are listed below:-

Name of the statute	Nature of dues	Amount (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income tax*	0.84	Assessment Year 2007-08	Income Tax Appellate Tribunal
Income-tax Act, 1961	Income tax*	3.22	Assessment Year 2008-09	Commissioner of Income Tax (Appeals)
Income-tax Act, 1961	Income tax	23.02	Assessment Year 2011-12	Commissioner of Income Tax (Appeals)
Income-tax Act, 1961	Income tax #	4.84	Assessment Year 2011-12	Commissioner of Income Tax (Appeals)
Income-tax Act, 1961	Income tax #	40.11	Assessment Year 2012-13	Commissioner of Income Tax (Appeals)
West Bengal Value Added Tax Act, 2003	Value Added Tax	1.56	Financial Year 2008-09	West Bengal Commercial Taxes Appellate & Revisional Board
West Bengal Value Added Tax Act, 2003	Value Added Tax #	1.48	Financial Year 2008-09	West Bengal Commercial Taxes Appellate & Revisional Board
Central Excise Act, 1944	Disallowance of Cenvat Credit #	9.33	2011 to 2013	Central Excise and Service Tax Appellate Tribunal

*Out of the above, Rs. 3.50 million has been deposited by the Company under protest

Out of the above, Rs. 0.93 million has been deposited by the Company under protest

<u>Financial Year: 2013-14</u>

1) Clause (iv)

In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the sale of goods and services. In our opinion and according to the information and explanations given to us, the Company's internal control system in relation to purchase of certain fixed assets and purchase of certain inventories needs to be further strengthened in terms of inviting comparative quotations and maintenance of supporting documents. Apart from the above, we have not observed any major weakness in the internal control system during the course of the audit.

2) Clause (ix)

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Investor Education and Protection Fund, Wealth tax, Custom duty and Excise duty.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Sales tax, Service tax, Cess and other material statutory dues were in arrears as at 31 March 2014 for a period of more than six months from the date they became payable

(b) According to the information and explanations given to us, there are no dues of Service tax which have not been deposited with the appropriate authorities on account of any dispute. According to the information and explanations given to us, dues of Income Tax and Sales Tax which have not been deposited by the Company with the appropriate authorities on account of any dispute are listed below:

Annexure VI - Restated Standalone Statement on Adjustments to Audited Standalone Financial Statements (continued)

Name of the statute	Nature of dues	Amount (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income tax*	3.22	Assessment Year 2008-09	Commissioner of Income Tax (Appeals)
Income-tax Act, 1961	Income tax	23.02	Assessment Year 2011-12	Commissioner of Income Tax (Appeals)
Income-tax Act, 1961	Income tax #	4.84	Assessment Year 2011-12	Commissioner of Income Tax (Appeals)
West Bengal Value Added Tax Act, 2003	Value Added Tax	1.56	Financial Year 2008-09	West Bengal Commercial Taxes Appellate & Revisional Board
West Bengal Value Added Tax Act, 2003	Value Added Tax #	1.48	Financial Year 2008-09	West Bengal Commercial Taxes Appellate & Revisional Board
Central Excise Act, 1944	Disallowance of Cenvat Credit	9.33	2011 to 2013	Central Excise and Service Tax Appellate Tribunal

*Out of the above, Rs. 2.66 million has been deposited by the Company under protest
Pertaining to Senco Gold Impex Private Limited (merged with Senco Gold Limited)

Senco Gold Limited

Annexure VII - Notes to the Restated Standalone Financial Information

Note 1: Property, plant and equipment and capital work-in-progress

A. Reconciliation of carrying amount (Rs. in million)

	Freehold buildings [refer note (iii) below]	Leasehold buildings	Leasehold improvements [refer note (ii) below]	Plant and equipments	Furniture and fittings	Office equipments	Vehicles	Total (A)	Capital work in progress (B)	Total (A+B)
Cost or deemed cost (gross carrying amount)										
Deemed cost [refer note (i) below]										
Balance as at 1 April 2013 - Proforma	**240.84**	**-**	**-**	**26.41**	**20.79**	**3.49**	**2.22**	**293.75**	**10.21**	**303.96**
Acquired on amalgamation (Refer note 3A to Annexure V)	-	6.93	-	5.57	0.43	0.03	-	12.96	-	12.96
Additions	46.22	-	14.83	21.95	16.08	2.02	4.06	105.16	63.52	168.68
Disposals/capitalised	-	-	-	-	-	-	-	-	54.64	54.64
Balance as at 31 March 2014 - Proforma	**287.06**	**6.93**	**14.83**	**53.93**	**37.30**	**5.54**	**6.28**	**411.87**	**19.09**	**430.96**
Balance as at 1 April 2014 - Proforma	**287.06**	**6.93**	**14.83**	**53.93**	**37.30**	**5.54**	**6.28**	**411.87**	**19.09**	**430.96**
Additions	2.88	-	12.86	50.38	47.30	2.29	0.06	115.77	165.96	281.73
Disposals/capitalised	-	-	-	-	-	-	-	-	55.48	55.48
Balance as at 31 March 2015 - Proforma	**289.94**	**6.93**	**27.69**	**104.31**	**84.60**	**7.83**	**6.34**	**527.64**	**129.57**	**657.21**
Balance as at 1 April 2015 - Proforma	**289.94**	**6.93**	**27.69**	**104.31**	**84.60**	**7.83**	**6.34**	**527.64**	**129.57**	**657.21**
Acquired on amalgamation (Refer note 3B to Annexure V)	229.92	-	-	-	-	-	-	229.92	-	229.92
Additions	173.88	-	51.91	81.85	90.13	8.03	2.52	408.32	59.99	468.31
Disposals/capitalised	-	-	-	-	-	-	1.03	1.03	183.90	184.93
Balance as at 31 March 2016 - Proforma	**693.74**	**6.93**	**79.60**	**186.16**	**174.73**	**15.86**	**7.83**	**1,164.85**	**5.66**	**1,170.51**

Senco Gold Limited

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

Note 1: Property, plant and equipment and capital work-in-progress

A. Reconciliation of carrying amount (continued) (Rs. in million)

	Freehold buildings [refer note (iii) below]	Leasehold buildings	Leasehold improvements [refer note (ii) below]	Plant and equipments	Furniture and fittings	Office equipments	Vehicles	Total (A)	Capital work in progress (B)	Total (A+B)
Balance as at 1 April 2016	**693.74**	**6.93**	**79.60**	**186.16**	**174.73**	**15.86**	**7.83**	**1,164.85**	**5.66**	**1,170.51**
Additions	3.10	-	16.64	48.30	103.02	7.93	4.36	183.35	71.45	254.80
Disposals/capitalised	-	-	-	-	-	-	1.51	1.51	68.49	70.00
Reclassification to assets held for sale [refer note 14 and (iii) below]	12.11	-	-	-	-	-	-	12.11	-	12.11
Balance as at 31 March 2017	**684.73**	**6.93**	**96.24**	**234.46**	**277.75**	**23.79**	**10.68**	**1,334.58**	**8.62**	**1,343.20**
Balance as at 1 April 2017	**684.73**	**6.93**	**96.24**	**234.46**	**277.75**	**23.79**	**10.68**	**1,334.58**	**8.62**	**1,343.20**
Additions	-	-	6.22	21.24	37.38	3.71	3.21	71.76	56.33	128.09
Disposals/capitalised	7.77	-	-	-	-	-	-	7.77	24.58	32.35
Balance as at 31 March 2018	**676.96**	**6.93**	**102.46**	**255.70**	**315.13**	**27.50**	**13.89**	**1,398.57**	**40.37**	**1,438.94**
Depreciation										
Balance as at 1 April 2013 - Proforma	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Acquired on amalgamation (Refer note 3A to Annexure V)	-	1.77	-	1.98	0.26	0.02	-	4.03	-	4.03
Depreciation for the year	13.41	0.26	0.06	6.43	4.22	1.68	1.45	27.51	-	27.51
Balance as at 31 March 2014 - Proforma	**13.41**	**2.03**	**0.06**	**8.41**	**4.48**	**1.70**	**1.45**	**31.54**	**-**	**31.54**
Balance as at 1 April 2014 - Proforma	**13.41**	**2.03**	**0.06**	**8.41**	**4.48**	**1.70**	**1.45**	**31.54**	**-**	**31.54**
Depreciation for the year	27.26	0.53	2.39	12.92	15.18	3.40	1.54	63.22	-	63.22
Depreciation adjusted with General reserve (#)	-	-	-	0.01	0.20	0.07	0.06	0.34	-	0.34
Balance as at 31 March 2015 - Proforma	**40.67**	**2.56**	**2.45**	**21.34**	**19.86**	**5.17**	**3.05**	**95.10**	**-**	**95.10**

Senco Gold Limited

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

Note 1: Property, plant and equipment and capital work-in-progress

A. Reconciliation of carrying amount (continued)

(Rs. in million)

	Freehold buildings	Leasehold buildings	Leasehold improvements **	Plant and equipments	Furniture and fittings	Office equipments	Vehicles	Total (A)	Capital work in progress (B)	Total (A+B)
Balance as at 1 April 2015 - Proforma	**40.67**	**2.56**	**2.45**	**21.34**	**19.86**	**5.17**	**3.05**	**95.10**	**-**	**95.10**
Depreciation for the year	60.93	0.47	8.77	23.57	29.37	4.53	1.10	128.74	-	128.74
Accumulated depreciation on disposals	-	-	-	-	-	-	0.92	0.92	-	0.92
Balance as at 31 March 2016 - Proforma	**101.60**	**3.03**	**11.22**	**44.91**	**49.23**	**9.70**	**3.23**	**222.92**	**-**	**222.92**
Balance as at 1 April 2016	**101.60**	**3.03**	**11.22**	**44.91**	**49.23**	**9.70**	**3.23**	**222.92**	**-**	**222.92**
Depreciation for the year	57.14	0.42	15.01	30.93	46.34	5.92	2.35	158.11	-	158.11
Accumulated depreciation on disposals	-	-	-	-	-	-	1.42	1.42	-	1.42
Reclassification to asset held for sale [refer note 14 and (iii) below]	4.05	-	-	-	-	-	-	4.05	-	4.05
Balance as at 31 March 2017	**154.69**	**3.45**	**26.23**	**75.84**	**95.57**	**15.62**	**4.16**	**375.56**	**-**	**375.56**
Balance as at 1 April 2017	**154.69**	**3.45**	**26.23**	**75.84**	**95.57**	**15.62**	**4.16**	**375.56**	**-**	**375.56**
Depreciation for the year	51.02	0.38	22.72	44.34	56.11	5.56	2.46	182.59	-	182.59
Accumulated depreciation on disposals	3.52							3.52	-	3.52
Balance as at 31 March 2018	**202.19**	**3.83**	**48.95**	**120.18**	**151.68**	**21.18**	**6.62**	**554.63**	**-**	**554.63**
Carrying amount (net)										
As at 31 March 2014 - Proforma	**273.65**	**4.90**	**14.77**	**45.52**	**32.82**	**3.84**	**4.83**	**380.33**	**19.09**	**399.42**
As at 31 March 2015 - Proforma	**249.27**	**4.37**	**25.24**	**82.97**	**64.74**	**2.66**	**3.29**	**432.54**	**129.57**	**562.11**
As at 31 March 2016 - Proforma	**592.14**	**3.90**	**68.38**	**141.25**	**125.50**	**6.16**	**4.60**	**941.93**	**5.66**	**947.59**
As at 31 March 2017	**530.04**	**3.48**	**70.01**	**158.62**	**182.18**	**8.17**	**6.52**	**959.02**	**8.62**	**967.64**
As at 31 March 2018	**474.77**	**3.10**	**53.51**	**135.52**	**163.45**	**6.32**	**7.27**	**843.94**	**40.37**	**884.31**

Note 1: Property, plant and equipment and capital work-in-progress

Notes:

(i) On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment. The Company has followed the same accounting policy choice as initially adopted on transition date i.e. 1 April 2016 while preparing Restated schedule for the years ended 31 March 2016, 31 March 2015 and 31 March 2014.

(ii) The Company has taken certain premises on lease for a period of 9 to 25 years. Under the terms of the related agreement, the lease period may be extended at the option of the lessee. Assets constructed on such leasehold properties are being depreciated over their useful lives of 20 years which are higher than the respective periods of lease.

(iii) Includes Rs 12.11 million pertaining to a premises where part possession of the property is under litigation between the previous landlord and the earlier tenants. However, the Company has clear title to the property. The matter was pending with the Hon'ble High Court of Calcutta for settlement. The Company has classified it as "Assets held for sale" as at 31 March 2017 and have subsequently sold it during the year 31 March 2018.

 # Useful life

Considering the applicability of Schedule II to the Companies Act, 2013, management has re-estimated useful lives and residual values of all its property, plant and equipment, as detailed in Summary of Significant Accounting Policies in Annexure V. Pursuant to this change in useful life of property, plant and equipment, the depreciation charge for the year ended 31 March 2015 is higher by Rs. 20.14 million and an amount of Rs. 0.23 million (net of deferred tax of Rs. 0.12 million) in respect of assets whose useful life is already exhausted as on 1 April 2014 has been adjusted from retained earnings as on 1 April 2014.

This adjustment has not been adjusted with retrospective effect in the preceding financial years, as it does not represent an error/omission or a change in accounting policy.

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

Note 2: Intangible assets

Reconciliation of carrying amount (Rs. in million)

Computer software	**31 March 2018**	**31 March 2017**	**31 March 2016 Proforma**	**31 March 2015 Proforma**	**31 March 2014 Proforma**
Gross carrying value at the beginning of the year	**35.31**	**26.47**	**11.70**	**10.06**	**9.07**
Additions	0.22	8.84	14.77	1.64	0.99
Gross carrying value at the end of the year	**35.53**	**35.31**	**26.47**	**11.70**	**10.06**
Accumulated amortisation at the beginning of the year	**11.35**	**6.90**	**3.67**	**1.81**	**-**
Amortisation	4.81	4.45	3.23	1.86	1.81
Accumulated amortisation at the end of the year	**16.16**	**11.35**	**6.90**	**3.67**	**1.81**
Carrying value as at the end of the year	**19.37**	**23.96**	**19.57**	**8.03**	**8.25**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016 measured as per the previous Indian GAAP and use that carrying value as the deemed cost of the intangible assets. The Company has followed the same accounting policy choice as initially adopted on transition date i.e. 1 April 2016 while preparing Proforma Restated schedule for the years ended 31 March 2016, 31 March 2015 and 31 March 2014.

Note 3: Non-current investments

(Rs. in million)

	31 March 2018	**31 March 2017**	**31 March 2016 Proforma**	**31 March 2015 Proforma**	**31 March 2014 Proforma**
Investment in Equity Instruments					
Investment carried at cost					
Unquoted					
Investment in subsidiaries					
erstwhile Addyashakti Properties Private Limited					
(31 March 2018: Nil, 31 March 2017: Nil, 31 March 2016: Nil, 31 March 2015: 200,000, 31 March 2014: 200,000) equity shares of Rs. 10 each, fully paid up	-	-	-	2.00	2.00
Investment in Unquoted equity instrument carried at FVOCI					
Diamond Prestige Occupants Association					
(31 March 2018: 2400, 31 March 2017: 900, 31 March 2016: 900, 31 March 2015: Nil, 31 March 2014: Nil) equity shares of Rs. 10 each, fully paid up	0.26	0.10	0.10	-	-
Total	**0.26**	**0.10**	**0.10**	**2.00**	**2.00**
Aggregate value of unquoted investments	**0.26**	**0.10**	**0.10**	**2.00**	**2.00**

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

As at 1 April 2016 , the Company designated the investments shown above as equity shares at FVOCI because these shares represent investment that the Company intends to hold for long term strategic purpose. The Company has followed the same accounting policy choice as initially adopted on transition date i.e. 1 April 2016 while preparing Proforma Restated schedule for the years ended 31 March 2016, 31 March 2015 and 31 March 2014.

No strategic investments were disposed off during 2017-18 , and there were no transfer of any cumulative gain or loss within equity related to these instruments.

Note 4: Loans #

(Unsecured, considered good unless otherwise stated) (Rs. in million)

	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Non -Current					
Security deposits ^	84.36	83.69	62.50	54.06	6.81
Loans to related parties					
Addyashakti Properties Private Limited*	-	-	-	142.92	105.27
Total (A)	**84.36**	**83.69**	**62.50**	**196.98**	**112.08**
Current					
Security deposits ^	-	-	5.00	-	-
Loans to related parties					
Addyashakti Properties Private Limited*	-	-	-	11.22	10.21
Mangoe Construction Private Limited*	-	-	-	-	1.09
Loans to employees	1.33	2.57	4.20	1.70	0.18
Other deposits	37.20	37.20	7.50	7.50	7.50
Total (B)	**38.53**	**39.77**	**16.70**	**20.42**	**18.98**
Total(A+B)	**122.89**	**123.46**	**79.20**	**217.40**	**131.06**

Refer note 41 for classification.

^ Refer note 35 for security deposits given to related party.

* Interest free unsecured loan, repayable on demand to Addyashakti Properties Private Limited, merged with Senco Gold Limited w.e.f 1 April 2015.

There is no amount receivable from directors of the Company, Jai Hanuman Shri Siddhivinayak Trust and Om Gaan Ganpataye Bajrangbali Trust during any of these years.

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

Note 5: Other financial assets #

(Rs. in million)

	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Non -Current					
Bank deposits (due to mature after 12 months from the reporting date)	1.10	10.03	41.60	125.85	33.15
Total (A)	**1.10**	**10.03**	**41.60**	**125.85**	**33.15**
Current					
Interest accrued on fixed deposits	21.27	12.42	16.53	14.87	8.73
Other receivables	1.54	-	12.59	4.92	-
Total (B)	**22.81**	**12.42**	**29.12**	**19.79**	**8.73**
Total(A+B)	**23.91**	**22.45**	**70.72**	**145.64**	**41.88**
Earmarked balances with banks					
Deposits pledged with banks as margin money deposit and for guarantees given.	**1.10**	**10.03**	**41.60**	**118.79**	**11.98**

Refer note 41 for classification.

Note 6: Income taxes

A. Components of income tax expense

(Rs. in million)

	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
I. Tax expense recognised in the Statement of Profit and Loss					
Current tax					
Current year	405.60	212.80	121.26	194.55	147.23
Total (A)	**405.60**	**212.80**	**121.26**	**194.55**	**147.23**
Deferred tax charge/(credit)					
Origination and reversal of temporary differences	(6.16)	6.84	(36.47)	(11.97)	2.39
Total (B)	**(6.16)**	**6.84**	**(36.47)**	**(11.97)**	**2.39**
Total (A+B)	**399.44**	**219.64**	**84.79**	**182.58**	**149.62**
II. Tax on Other Comprehensive Income					
Deferred tax					
Income taxes relating to remeasurements of defined benefit liability / (asset)	(0.51)	(0.30)	(0.65)	0.54	(0.05)
Income taxes relating to Changes in fair value of equity instruments designated at FVOCI	(0.06)	-	(0.03)	-	-
Total	**(0.57)**	**(0.30)**	**(0.68)**	**0.54**	**(0.05)**

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

B. Reconciliation of Effective Tax Rate

(Rs. in million)

	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Profit before tax	1,127.50	611.11	239.66	542.01	513.53
Indian tax rate	34.608%	34.608%	34.608%	33.990%	33.990%
Tax using the Indian tax rate	**390.21**	**211.50**	**82.94**	**184.23**	**174.55**
Differences due to:					
Tax exempt income	(0.39)	(5.12)	(7.74)	(4.72)	(25.12)
Non-deductible expenses for tax purpose and others	9.62	13.26	9.59	3.07	0.19
	9.23	**8.14**	**1.85**	**(1.65)**	**(24.93)**
Tax expense	**399.44**	**219.64**	**84.79**	**182.58**	**149.62**
Effective tax rate	**35.43%**	**35.94%**	**35.38%**	**33.69%**	**29.14%**

C. Movement in deferred tax assets and (liabilities)

(Rs. in million)

	Balance as at 1 April 2013	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Others	Balance as at 31 March 2014
Property, plant and equipment	(7.71)	(3.45)	-	(1.28)	-	(12.44)
Provision for gratuity	0.83	(0.00)	(0.05)	0.31	-	1.09
Provision for leave	0.74	0.36	-	-	-	1.10
Provision for lease equalisation	1.39	1.32	-	-	-	2.71
Expenditure covered by section 43B of Income-tax Act, 1961	0.35	(0.43)	-	0.08	-	-
Provision for doubtful trade receivables	0.74	(0.68)	-	-	-	0.06
Loans (amortisation of financial assets)	0.10	0.02	-	-	-	0.12
Other adjustments (Derivatives, Inventory, Gold metal loan)	(0.23)	0.30	-	-	-	0.07
Borrowings at amortised cost	(0.13)	0.03	-	-	-	(0.10)
Financial liabilities (amortisation of financial liabilities)	(0.06)	(0.02)	-	-	-	(0.08)
Others	(1.21)	0.16	-	-	-	(1.05)
	(5.19)	**(2.39)**	**(0.05)**	**(0.89)**	**-**	**(8.52)**

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

(Rs. in million)

	Balance as at 1 April 2014	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Others	Balance as at 31 March 2015
Property, plant and equipment	(12.44)	3.03	-	0.12	-	(9.29)
Provision for gratuity	1.09	(0.37)	0.54	-	-	1.26
Provision for leave	1.10	2.17	-	-	-	3.27
Provision for lease equalisation	2.71	2.81	-	-	-	5.52
Expenditure covered by section 43B of Income-tax Act, 1961	-	-	-	-	-	-
Provision for doubtful trade receivables	0.06	-	-	-	-	0.06
Loans (amortisation of financial assets)	0.12	0.41	-	-	-	0.53
Other adjustments (Derivatives, Inventory, Gold metal loan)	0.07	3.05	-	-	-	3.12
Borrowings at amortised cost	(0.10)	(0.04)	-	-	-	(0.14)
Financial liabilities (amortisation of financial liabilities)	(0.08)	(0.02)	-	-	-	(0.10)
Others	(1.05)	0.93	-	-	-	(0.12)
	(8.52)	**11.97**	**0.54**	**0.12**	**-**	**4.11**

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

(Rs. in million)

	Balance as at 1 April 2015	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Others	Balance as at 31 March 2016
Property, plant and equipment	(9.29)	5.48	-	-	-	(3.81)
Provision for gratuity	1.26	1.48	(0.65)	-	-	2.09
Provision for leave	3.27	1.37	-	-	-	4.64
Provision for lease equalisation	5.52	10.72	-	-	-	16.24
Expenditure covered by section 43B of Income-tax Act, 1961	-					-
Provision for doubtful trade receivables	0.06	-	-	-	-	0.06
Other financial assets	0.53	0.80	-	-	-	1.33
Other adjustments (Derivatives, Inventory, Gold metal loan)	3.12	23.40	-	-	-	26.52
Borrowings at amortised cost	(0.14)	0.02	-	-	-	(0.12)
Other financial liabilities	(0.10)	(0.02)	-	-	-	(0.12)
Investments at fair value through OCI	-	-	(0.03)	-	-	(0.03)
Acquired on amalgamation (Refer note 3B to Annexure V)	-	(9.60)	-	9.60	-	-
Others	(0.12)	2.82	-	-	-	2.70
	4.11	**36.47**	**(0.68)**	**9.60**	**-**	**49.50**

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

(Rs. in million)

	Balance as at 1 April 2016	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Others	Balance as at 31 March 2017
Property, plant and equipment	(3.81)	11.82	-	-	-	8.01
Provision for gratuity	2.09	2.50	(0.30)	-	-	4.29
Provision for leave	4.64	1.86	-	-	-	6.50
Provision for lease equalisation	16.24	6.92	-	-	-	23.16
Provision for doubtful trade receivables	0.06	-				0.06
Other financial assets	1.33	0.79				2.12
Other adjustments (Derivatives, Inventory, Gold metal loan)	26.52	(30.50)				(3.98)
Borrowings at amortised cost	(0.12)	0.02	-	-	-	(0.10)
Other financial liabilities	(0.12)	(0.02)	-	-	-	(0.14)
Investments at fair value through OCI	(0.03)	-	-	-	-	(0.03)
Others	2.70	(0.23)	-	-	-	2.47
	49.50	**(6.84)**	**(0.30)**	**-**	**-**	**42.36**

(Rs. in million)

	Balance as at 1 April 2017	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Others	Balance as at 31 March 2018
Property, plant and equipment	8.01	(30.71)	-	-	-	(22.70)
Provision for gratuity	4.29	3.55	(0.51)	-	-	7.33
Provision for leave	6.50	9.27	-	-	-	15.77
Provision for lease equalisation	23.16	8.12	-	-	-	31.28
Provision for doubtful trade receivables	0.06	-	-	-	-	0.06
Investments at fair value through OCI	(0.03)	-	(0.06)	-	-	(0.09)
Expenses disallowed u/s 43B	-	5.57	-	-	-	5.57
Other financial assets	2.12	0.62	-	-	-	2.74
Other adjustments (Derivatives, Inventory, Gold metal loan)	(3.98)	12.14	-	-	-	8.16
Borrowings at amortised cost	(0.10)	0.07	-	-	-	(0.03)
Other financial liabilities	(0.14)	(0.00)	-	-	-	(0.14)
Others	2.47	(2.47)	-	-	-	-
	42.36	**6.16**	**(0.57)**	**-**	**-**	**47.95**

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

Note 7: Non-current tax assets (net)

(Rs. in million)

	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Advance tax recoverable [Net of provision for tax (31 March 2018: Rs. 987.29, 31 March 2017: Rs. 987.29, 31 March 2016: Rs. 987.29, 31 March 2015: Rs. 671.48, 31 March 2014: Rs. 671.48)]	105.93	105.93	105.93	36.52	36.52
	105.93	**105.93**	**105.93**	**36.52**	**36.52**

Note 8: Other assets

(Rs. in million)

	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Non -Current					
Capital advances	144.43	113.84	92.92	20.63	5.43
Advance against rent	55.72	58.45	56.39	43.47	2.28
Total (A)	**200.15**	**172.29**	**149.31**	**64.10**	**7.71**
Current					
Advance against rent @	11.86	16.07	19.55	9.80	7.28
Balances with statutory authorities	112.69	1.20	1.61	7.80	0.44
Service tax credit receivable	-	25.14	3.98	1.43	3.03
Prepaid expenses	35.79	31.19	10.62	8.00	2.70
Advances for supply of goods	1.06	19.10	8.90	5.96	6.91
Total (B)	**161.40**	**92.70**	**44.66**	**32.99**	**20.36**
Total(A+B)	**361.55**	**264.99**	**193.97**	**97.09**	**28.07**

@ Refer note 35 for advance rent given to related party.

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

Note 9: Inventories

(Rs. in million)

	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
(Valued at the lower of cost and net realizable value)					
Raw materials	940.57	348.05	242.95	353.69	211.42
Work in progress		-	-	-	0.24
Stock-in-trade	1,455.86	219.47	-	-	-
Finished goods	5,971.88	5,411.87	4,847.85	3,223.68	2,433.46
	8,368.31	**5,979.39**	**5,090.80**	**3,577.37**	**2,645.12**

Note 10: Trade receivables

(Rs. in million)

	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Unsecured, considered good	402.62	663.88	789.01	436.87	523.49
Doubtful	0.18	0.18	0.18	0.18	0.18
	402.80	664.06	789.19	437.05	523.67
Less: Provision for doubtful receivables	(0.18)	(0.18)	(0.18)	(0.18)	(0.18)
	402.62	**663.88**	**789.01**	**436.87**	**523.49**

There is no amount receivable from directors of the Company, Jai Hanuman Shri Siddhivinayak Trust and Om Gaan Ganpataye Bajrangbali Trust during any of these years.
Refer Note 35 for transactions with related parties

	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
The movement in allowance for bad and doubtful debts is as follows:					
Balance as at beginning of the year	0.18	0.18	0.18	0.18	0.18
Add: Allowance for bad and doubtful debts during the year	-	-	-	-	-
Less: Trade receivables written off during the year	-	-	-	-	-
Balance as at the end of the year	**0.18**	**0.18**	**0.18**	**0.18**	**0.18**

Refer Note 41 for information about credit risk and market risk of trade receivables

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

Note 11: Cash and cash equivalents

(Rs. in million)

	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
- Balances with banks					
on current accounts *	602.23	226.19	250.35	129.76	364.09
on deposits accounts (with original maturity of 3 months or less) **	118.68	187.60	431.05	-	120.00
- Cash on hand	9.95	14.54	12.36	0.98	14.07
	730.86	**428.33**	**693.76**	**130.74**	**498.16**
Earmarked balances with banks					
* held as margin money with the banks as security or for restricted use only.	542.36	17.78	146.60	9.78	61.54
** Deposits pledged with banks as margin money deposit and for guarantees given.	118.68	187.60	431.05	-	120.00

Note 12: Other bank balances

(Rs. in million)

	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
- Balances with banks					
on deposits accounts (with original maturity of more than 3 months but less than 12 months)	660.37	229.43	380.58	243.58	170.16
	660.37	**229.43**	**380.58**	**243.58**	**170.16**
Earmarked balances with banks					
Deposits pledged with banks as margin money deposit and for guarantees given.	660.37	229.43	380.58	129.71	131.50

Note 13: Derivatives

(Rs. in million)

	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Derivative assets/(liabilities)	(174.78)	7.95	(198.50)	(11.60)	(0.75)
	(174.78)	**7.95**	**(198.50)**	**(11.60)**	**(0.75)**

Note 14: Assets held for sale

(Rs. in million)

	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Property, plant and equipment reclassified as held for sale [refer note 1(iii)]	-	8.06	-	-	-
	-	**8.06**	**-**	**-**	**-**

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

Note 15: Share capital

(Rs. in million except per share data)

	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Authorised					
56,000,000 (31 March 2017, 2016, 2015: 27,500,000, 31 March 2014: 31,000,000) equity shares of Rs 10 each	560.00	275.00	275.00	265.00	310.00
14,000,000 (31 March 2017, 2016, 2015: 4,500,000, 31 March 2014: Nil) preference shares of Rs 10 each	140.00	45.00	45.00	45.00	-
	700.00	**320.00**	**320.00**	**310.00**	**310.00**
Issued, subscribed and paid up					
17,728,704 (31 March 2017, 2016, 2015: 17,728,704, 31 March 2014: 17,728,604) equity shares of Rs 10 each	177.29	177.29	177.29	177.29	177.29
4,432,051 (31 March 2017, 2016, 2015: 4,432,051, 31 March 2014: Nil) 0.01% compulsorily convertible non-cumulative preference shares of Rs 10 each	44.32	44.32	44.32	44.32	-
	221.61	**221.61**	**221.61**	**221.61**	**177.29**

(a) Reconciliation of shares outstanding at the beginning and at the end of the year

	31 March 2018		31 March 2017	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
At the commencement of the year	1,77,28,704	177.29	1,77,28,704	177.29
Issued during the year	-	-	-	-
Outstanding at the end of the year	**1,77,28,704**	**177.29**	**1,77,28,704**	**177.29**

	31 March 2016 Proforma		31 March 2015 Proforma		31 March 2014 Proforma	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Equity shares						
At the commencement of the year	1,77,28,704	177.29	1,77,28,604	177.29	1,77,28,604	177.29
Issued during the year	-	-	100	0.00	-	-
Outstanding at the end of the year	**1,77,28,704**	**177.29**	**1,77,28,704**	**177.29**	**1,77,28,604**	**177.29**

	31 March 2018		31 March 2017	
	Number of shares	Amount	Number of shares	Amount
0.01% compulsorily convertible non-cumulative preference shares				
At the commencement of the year	44,32,051	44.32	44,32,051	44.32
Issued during the year	-	-	-	-
Outstanding at the end of the year	**44,32,051**	**44.32**	**44,32,051**	**44.32**

	31 March 2016 Proforma		31 March 2015 Proforma		31 March 2014 Proforma	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
0.01% compulsorily convertible non-cumulative preference shares						
At the commencement of the year	44,32,051	44.32	-	-	-	-
Issued during the year	-	-	44,32,051	44.32	-	-
Outstanding at the end of the year	**44,32,051**	**44.32**	**44,32,051**	**44.32**	-	-

(b) Details of dividend paid

	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Dividend paid	-	55.41	22.17	-	44.32
Dividend per share (in Rs.)	-	2.50	1.00	-	2.50

(c) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company’s residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares.
On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(d) Rights, preferences and restrictions attached to compulsorily convertible non-cumulative preference shares

Compulsorily convertible non-cumulative preference shares were issued at par on 8 October 2014 and each share is convertible into one equity share of par value Rs. 10 at any time on or after 8 October 2014 but not later than 7 October 2034. Failing this, they shall be converted into equity shares by the Company on 8 October 2034. The holders of these shares are entitled to a non-cumulative dividend of 0.01% of the face value of the preference shares. The holders of the preference shares are also entitled to participate in dividend and capital distributed by the Company over and above the preference dividend on as-if converted basis pari passu with the holders of the Equity Shares of the Company.

Preference shares carry a preferential right as to dividend over equity shareholders. Where dividend on preference shares is not declared for a financial year, the entitlement thereto in the case of non-cumulative preference shares for that year lapses. The preference shares are entitled to one vote per share at meetings of the Company on any resolutions of the Company directly affecting their rights as mentioned in their shareholder agreement. In the event of liquidation, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid-up on such shares.

(e) Particulars of shareholders holding more than 5% shares in the Company

	31 March 2018		31 March 2017	
	Number of shares	% holding	Number of shares	% holding
Equity shares				
- Sankar Sen and Suvankar Sen Trustee of Jai Hanuman Shri Siddhivinayak Trust	1,14,78,843	64.75%	-	-
- Ranjana Sen Trustee of Om Gaan Ganpataye Bajrangbali Trust *	17,78,082	10.03%	-	-
- Sankar Sen (Managing Director)	18,98,201	10.70%	1,26,54,673	71.38%
- Ranjana Sen (Director, upto 31 March 2018)	2,77,828	1.57%	27,78,281	15.67%
- Suvankar Sen (Executive Director)	22,94,950	12.94%	22,94,950	12.94%

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

	31 March 2016 Proforma		31 March 2015 Proforma		31 March 2014 Proforma	
	Number of shares	% holding	Number of shares	% holding	Number of shares	% holding
Equity shares						
- Sankar Sen (Managing Director)	1,26,54,673	71.38%	1,26,54,673	71.38%	1,26,54,673	71.38%
- Ranjana Sen (Director, upto 31 March 2018)	27,78,281	15.67%	27,78,281	15.67%	27,78,281	15.67%
- Suvankar Sen (Executive Director)	22,94,950	12.94%	22,94,950	12.94%	22,94,950	12.94%

* Suvankar Sen (Executive Director) is the new trustee of Om Gaan Ganpataye Bajrangbali Trust, w.e.f 7 May 2018

	31 March 2018		31 March 2017	
	Number of shares	% holding	Number of shares	% holding
0.01% compulsorily convertible non-cumulative preference shares				
- Saif Partners India IV Limited, Mauritius	44,32,051	100.00%	44,32,051	100.00%

	31 March 2016 Proforma		31 March 2015 Proforma		31 March 2014 Proforma	
	Number of shares	% holding	Number of shares	% holding	Number of shares	% holding
0.01% compulsorily convertible non-cumulative preference shares						
- Saif Partners India IV Limited, Mauritius	44,32,051	100.00%	44,32,051	100.00%	-	-

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

(f) Shares reserved for issue under options and contracts/ Commitments for sale of share/ disinvestment (Rs. in million)

For 0.01% compulsorily convertible non-cumulative preference shares	Number of shares	Amount
As at 31 March 2018	44,32,051	44.32
As at 31 March 2017	44,32,051	44.32
As at 31 March 2016	44,32,051	44.32
As at 31 March 2015 Proforma	44,32,051	44.32
As at 31 March 2014 Proforma	-	-

Note:

The Company's issued, subscribed and paid up capital stands increased as on 6 May 2018 on account of issuance of Bonus shares. Refer note 32.

Note 16: Other equity

(Rs. in million)

Particulars	Securities premium	General reserve	Special economic re-investment reserve	Retained earnings	Equity instruments through OCI	Total
Balance at 1 April 2013 Proforma (A)	**1.88**	**117.37**	**-**	**633.32**	**-**	**752.57**
Acquired on amalgamation (refer note 3A to Annexure V)	-	-	-	401.12	-	401.12
Profit for the year	-	-	-	363.91	-	363.91
Other comprehensive income (net of tax)	-	-	-	0.10	-	0.10
Appropriations						
Interim dividend on equity shares [Rs 2.50 per share]	-	-	-	(44.32)	-	(44.32)
Tax on interim dividend on equity shares	-	-	-	(7.53)	-	(7.53)
Transfer to general reserve	-	36.49	-	(36.49)	-	-
Total comprehensive income for the year (B)	**-**	**36.49**	**-**	**676.79**	**-**	**713.28**
Balance as at 31 March 2014 Proforma (A+B)	**1.88**	**153.86**	**-**	**1,310.11**	**-**	**1,465.85**

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

(Rs. in million)

Particulars	Securities premium	General reserve	Special economic re-investment reserve	Retained earnings	Equity instruments through OCI	Total
Balance at 1 April 2014 Proforma (A)	**1.88**	**153.86**	**-**	**1,310.11**	**-**	**1,465.85**
Premium received on issue of shares	755.68	-	-	-	-	755.68
Profit for the year	-	-	-	359.43	-	359.43
Other comprehensive income (net of tax)	-	-	-	(1.01)	-	(1.01)
Depreciation adjustment (refer note 1)	-	(0.23)	-	-	-	(0.23)
Total comprehensive income for the year (B)	**755.68**	**(0.23)**	**-**	**358.42**	**-**	**1,113.87**
Balance as at 31 March 2015 Proforma (A+B)	**757.56**	**153.63**	**-**	**1,668.53**	**-**	**2,579.72**

(Rs. in million)

Particulars	Securities premium	General reserve	Special economic re-investment reserve	Retained earnings	Equity instruments through OCI	Total
Balance at 01 April 2015 Proforma (A)	**757.56**	**153.63**	**-**	**1,668.53**	**-**	**2,579.72**
Debit balance acquired on amalgamation (refer note 3B to Annexure V)	-	-	-	(2.46)	-	(2.46)
Profit for the year	-	-	-	154.87	-	154.87
Other comprehensive income (net of tax)			-	1.24	0.06	1.30
Appropriations						
Final dividend on 0.01% compulsorily convertible non-cumulative preference shares [Re 1 per share] for the financial year 2014-15	-	-	-	(4.44)	-	(4.44)
Tax on final dividend on preference shares	-	-	-	(0.90)	-	(0.90)
Final dividend on equity shares [Re 1 per share] for the financial year 2014-15	-	-	-	(17.73)	-	(17.73)
Tax on final dividend on equity shares	-	-	-	(3.61)	-	(3.61)
Total comprehensive income for the year (B)	**-**	**-**	**-**	**126.97**	**0.06**	**127.03**
Balance as at 31 March 2016 Proforma (A+B)	**757.56**	**153.63**	**-**	**1,795.50**	**0.06**	**2,706.75**

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

(Rs. in million)

Particulars	Securities premium	General reserve	Special economic re-investment reserve	Retained earnings	Equity instruments through OCI	Total
Balance at 1 April 2016 (A)	**757.56**	**153.63**	**-**	**1,795.50**	**0.06**	**2,706.75**
Profit for the year	-	-	-	391.47	-	391.47
Other comprehensive income (net of tax)	-	-		0.56	-	0.56
Appropriations						
Final dividend on 0.01% compulsorily convertible non-cumulative preference shares [Re 0.50 per share] for the financial year 2015-16	-	-	-	(2.22)	-	(2.22)
Dividend distribution tax on above	-	-	-	(0.45)	-	(0.45)
Final dividend on equity shares [Re 0.50 per share] for the financial year 2015-16	-	-	-	(8.86)	-	(8.86)
Dividend distribution tax on above	-	-	-	(1.80)	-	(1.80)
Interim dividend on 0.01% compulsorily convertible non-cumulative preference shares [Rs 2 per share] for the financial year 2016-17	-	-	-	(8.87)	-	(8.87)
Dividend distribution tax on above	-	-	-	(1.81)	-	(1.81)
Interim dividend on equity shares [Rs 2 per share] for the financial year 2016-17	-	-	-	(35.46)	-	(35.46)
Dividend distribution tax on above	-	-	-	(7.22)	-	(7.22)
Total comprehensive income for the year (B)	-	-	-	**325.34**	-	**325.34**
Balance as at 31 March 2017 (A+B)	**757.56**	**153.63**	**-**	**2,120.84**	**0.06**	**3,032.09**

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

(Rs. in million)

Particulars	Securities premium	General reserve	Special economic re-investment reserve	Retained earnings	Equity instruments through OCI	Total
Balance at 1 April 2017 (A)	**757.56**	**153.63**	**-**	**2,120.84**	**0.06**	**3,032.09**
Profit for the year	-	-	-	728.06	-	728.06
Other comprehensive income (net of tax)	-	-		0.80	0.10	0.90
Appropriations						
Transferred to Special economic re-investment reserve	-	-	1.15	(1.15)	-	-
Total comprehensive income for the year (B)	-	-	**1.15**	**727.71**	**0.10**	**728.96**
Balance as at 31 March 2018 (A+B)	**757.56**	**153.63**	**1.15**	**2,848.55**	**0.16**	**3,761.05**

A. The description, nature and purpose of each reserve within other equity are as follows:

Security premium: Security premium reserve is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve: The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956 and Companies Act, 2013.

Special economic re-investment reserve: It has been created for the purpose of acquiring machinery or plant which is put to use before the expiry of three years following the previous year in which the reserve was created.

Retained Earnings: Retained earnings represents the profits earned by the Company till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Equity instruments through OCI: The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the equity instruments through OCI shown under the head other equity. The Company transfers amounts therefrom to retained earnings when the relevant equity securities are derecognised.

B. Disaggregation of changes in items of OCI

(Rs. in million)

	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Retained earnings					
Other comprehensive income (net of tax)	0.90	0.56	1.30	(1.01)	0.10
	0.90	**0.56**	**1.30**	**(1.01)**	**0.10**

Note:

Subsequent to 31 March 2018, the Company has issued bonus shares by way of issuing 35,457,408 equity shares of Rs. 10 each and 8,864,102 0.01% compulsorily convertible non-cumulative preference shares of Rs. 10 each in the ratio of 2:1 as held by the shareholders as on the record date. These bonus shares have been allotted on 6 May 2018 by way of utilisation of Securities premium.

Senco Gold Limited

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

Note 17: Borrowings

(Rs. in million)

	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Non -Current					
Term Loans (secured)					
Term loans:					
- from bank (secured)	-	27.62	129.77	71.26	85.40
- from other parties (secured)	2.19	3.38	1.92	2.40	2.82
Vehicle loan from bank (secured)	2.03	0.70	0.87	-	-
	4.22	31.70	132.56	73.66	88.22
Less: Amount shown under other financial liabilities					
	4.22	**31.70**	**132.56**	**73.66**	**88.22**
Current					
Term Loans (secured)					
Term loans:					
- from bank (secured)	23.87	107.90	44.67	13.94	12.16
- from other parties (secured)	1.19	1.08	0.48	0.43	0.39
Vehicle loan from bank (secured)	0.56	0.19	0.17	-	-
	25.62	109.17	45.32	14.37	12.55
Less: Amount shown under other financial liabilities	(25.62)	(109.17)	(45.32)	(14.37)	(12.55)
	-	**-**	**-**	**-**	**-**
Short-term borrowings					
Loans repayable on demand					
- Cash credit and overdraft facilities from banks (secured) [refer note (a) below]	1,634.07	2,490.42	1,643.87	992.38	1,543.09
- Gold metal loans (secured) [refer note (b) below]	3,574.03	1,634.95	2,224.81	819.97	187.08
- Short term loan (secured) [refer note (c) below]	600.00	200.00	150.00	-	-
- Packing credit (secured) [refer note (d) below]	-	57.59	55.89	115.50	149.98
- Loan from directors (unsecured) [refer note (e) below]	-	-	2.00	-	-
	5,808.10	4,382.96	4,076.57	1,927.85	1,880.15
Less: Amount shown under other financial liabilities	-	-	-	-	-
	5,808.10	**4,382.96**	**4,076.57**	**1,927.85**	**1,880.15**

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

(Rs. in million)

	Date of Maturity	Number of Installment	Value of each Installment (Rs.)	Rate of Interest	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Kotak Mahindra Bank- Term loan for New Delhi (i)	31-Dec-19	96	9,25,613	12.5% p.a.	-	31.50	33.85	39.33	45.18
Kotak Mahindra Bank- Term loan for Jadavpur, Kolkata (ii)	31-Jan-20	96	10,57,844	12.5% p.a.	-	29.76	38.30	45.87	52.38
Kotak Mahindra Bank- Term loan for Diamond Prestige (Kolkata) (iii)	31-Jan-21	96	8,89,000	IVBR + 2.05% p.a.	-	36.28	46.45	-	-
Kotak Mahindra Bank- Term loan for Mayfare (Mumbai) (iv)	30-Apr-19	84	15,40,000	IVBR + 2.05% p.a.	-	10.48	28.35	-	-
South Indian Bank: Commercial Property at Bowbazar (v)	26-Nov-22	12#	#	12% p.a.	23.87	27.50	27.50	-	-
Vehicle Loan from BMW Financial Services (vi)	16-May-20	84	59,949	11% p.a.	1.38	1.92	2.40	2.82	3.21
Vehicle Loan from HDFC Bank Limited (vii)	05-Apr-21	60	22,063	8.56% p.a.	0.70	0.89	1.04	-	-
Vehicle Loan from Daimler Financial Services India Private Ltd. (viii)	23-Apr-21	60	61,915	8.75% p.a.	2.00	2.54	-	-	-
Vehicle Loan from HDFC Bank Limited (ix)	05-Sep-22	60	42,326	8.75% p.a.	1.89	-	-	-	-
					29.84	**140.87**	**177.89**	**88.02**	**100.77**

The period of the term loan is 72 months, out of which 24 months are holiday period. The term loan is payable in 12 quarterly installment post holiday period.

(i) Term loan is secured by way of equitable mortgage of property located at New Delhi and personal guarantees of Mr. Sankar Sen (Managing director) and Mr. Suvankar Sen (Executive director).

(ii) Term loan is secured by way of equitable mortgage of property located at Kolkata and personal guarantees of Mr. Sankar Sen (Managing director) and Mr. Suvankar Sen (Executive director).

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

(iii) Term Loan is secured by way of equitable mortgage of property located at Kolkata and personal guarantees of Mr. Sankar Sen (Managing director) and Mr. Suvankar Sen (Executive director).

(iv) Term Loan is secured by way of equitable mortgage of property located at Mumbai and personal guarantees of Mr. Sankar Sen (Managing director) and Mr. Suvankar Sen (Executive director).

(v) Term Loan is secured by way of equitable mortgage of property located at Kolkata and personal guarantees of Mr. Sankar Sen (Managing director) and Mr. Suvankar Sen (Executive director).

(vi) Vehicle loan is secured by way of hypothecation of the respective vehicle.

(vii) Vehicle loan is secured by way of hypothecation of the respective vehicle and 12 months PDCs.

(viii) Vehicle loan is secured by way of hypothecation of the respective vehicle.

(ix) Vehicle loan is secured by way of hypothecation of the respective vehicle.

(a) Cash credit and overdraft facilities from banks carry interest ranging between 10.5%-12.5% p.a., computed on a daily basis on the actual amount utilised, and are repayable on demand. These are secured by way of hypothecation of the Company's entire stocks and such other moveables including book debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, pertaining to all shops and showrooms of the Company, entire fixed assets , present and future, except land and building in a form and manner satisfactory to the bank. The loan is also secured by the unconditional and irrevocable personal guarantees given by the directors of the Company (a) Mr. Sankar Sen, (b) Mr. Suvankar Sen and (c) Mrs. Ranjana Sen.

(b) Gold metal loans carry interest ranging between 2% - 3.75% p.a. calculated on the number of ounce outstanding and are repayable within 270 days if prior notice is given to bank or otherwise 90 days, if the end use of advance of bullion is for export purposes and 180 days if the end use of bullion is for domestic purpose. These are secured by way of hypothecation of the Company's entire stocks and such other moveables including book debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, pertaining to all shops and showrooms of the Company, entire fixed assets , present and future, except land and building in a form and manner satisfactory to the bank, margin money of 10%, Standby Letter of Credit (SBLC) provided by the banks in favour of Bank of Nova Scotia and also by the personal guarantees given by the directors (a) Mr. Sankar Sen, (b) Mr. Suvankar Sen and (c) Mrs. Ranjana Sen.

(c) Short term demand loan has been availed from Banks for financing of working capital requirement for the period of 30 days. The principle repayment is bullet repayment at maturity. The rate of interest on the facilities is ranging between 10%-11% fixed and shall be payable at monthly rests on the 1st day of the subsequent month/maturity, wherever applicable. The security for the facilities - Personal Guarantee of the Directors and/or Post Dated Cheque of the loan amount.

(d) Packing credit loans carry interest @ LIBOR plus 3.5% p.a for credit availed from Kotak Mahindra Bank, calculated on the loan outstanding and are repayable within 90 days from date of availment. These are secured by way of hypothecation charge on the entire stocks, books debts and other current assets both present and in future of the Company on ranking pari passu basis.

(e) These are interest free loan taken from Mr. Sankar Sen (Managing Director) and Mr. Suvankar Sen (Executive Director). The loan is repaid during the previous year.

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

Note 18: Other financial liabilities

(Rs. in million)

	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Non - Current					
Interest-free security deposits	6.94	6.48	5.88	4.80	3.99
Total(A)	**6.94**	**6.48**	**5.88**	**4.80**	**3.99**
Current					
Current maturities of long-term debt (refer note 17)	25.62	109.17	45.32	14.37	12.55
Creditor for capital goods	12.13	30.15	21.95	7.04	4.13
Accrued salaries and benefits	23.79	7.35	6.21	6.04	5.22
Interest accrued and not due on borrowings	12.12	5.23	4.82	2.58	0.10
Total(B)	**73.66**	**151.90**	**78.30**	**30.03**	**22.00**
Total(A+B)	**80.60**	**158.38**	**84.18**	**34.83**	**25.99**

Note 19: Provisions

(Rs. in million)

	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Non - Current					
Provision for employee benefits					
Gratuity (refer note 34)	19.97	11.42	6.03	3.63	3.14
Compensated absences	44.92	18.14	13.22	9.49	3.17
Total(A)	**64.89**	**29.56**	**19.25**	**13.12**	**6.31**
Current					
Provision for employee benefits					
Gratuity (refer note 34)	1.07	1.03	0.06	0.12	0.07
Compensated absences	0.78	0.59	0.15	0.09	0.06
	1.85	1.62	0.21	0.21	0.13
Provision for excise duty	-	48.35	5.84	-	-
Total(B)	**1.85**	**49.97**	**6.05**	**0.21**	**0.13**
Total(A+B)	**66.74**	**79.53**	**25.30**	**13.33**	**6.44**

Senco Gold Limited

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

Note 20: Other Non current and current Liabilities

(Rs. in million)

	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Non Current					
Deferred liability	1.30	1.73	2.19	1.90	1.74
Total(A)	**1.30**	**1.73**	**2.19**	**1.90**	**1.74**
Current					
Advance received from customers	805.02	505.62	399.37	459.41	760.59
Service tax payable	-	0.79	0.53	0.02	0.00
Tax deducted at source payable	6.22	8.91	8.06	4.28	2.00
Provident fund payable, employees' state insurance and professional tax payable	3.39	2.83	2.14	0.56	0.35
Deferred Liability	0.43	0.47	0.46	0.49	0.44
Total(B)	**815.06**	**518.62**	**410.56**	**464.76**	**763.38**
Total(A+B)	**816.36**	**520.35**	**412.75**	**466.66**	**765.12**

Note 21: Trade payables

(Rs. in million)

	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
(a) Total outstanding dues of micro enterprises and small enterprises (refer note 38)	-	-	-	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	609.00	387.36	561.26	121.21	64.49
	609.00	**387.36**	**561.26**	**121.21**	**64.49**

Note 22: Current tax liabilities (net)

(Rs. in million)

	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Current tax liabilities (net)					
Provision for Tax [Net of advance Tax of (31 March 2018: Rs. 529.92, 31 March 2017: Rs. 236.44, 31 March 2016: Rs. 76.32, 31 March 2015: Rs. 261.20, 31 March 2014: Rs. 76.33)]	185.87	53.95	1.25	10.99	1.31
	185.87	**53.95**	**1.25**	**10.99**	**1.31**

Note 23: Revenue from operations

(Rs. in million)

	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Sale of products					
Finished goods	19,405.97	18,285.11	15,218.38	14,279.95	13,113.46
Traded goods	2,679.00	64.15	-	-	-
Sale of products (gross) (A)	**22,084.97**	**18,349.26**	**15,218.38**	**14,279.95**	**13,113.46**
Break-up of revenue from sale of products					
Manufactured goods					
Gold jewellery	18,074.09	17,281.53	14,386.94	13,637.39	12,699.56
Diamond jewellery and precious/semi precious stones	1,123.32	817.61	714.25	527.27	342.93
Silver jewellery and articles	108.09	91.67	48.19	41.70	29.38
Platinum jewellery	25.47	37.68	26.61	24.79	11.02
Novelty and accessories	75.00	56.62	42.39	48.80	30.57
	19,405.97	**18,285.11**	**15,218.38**	**14,279.95**	**13,113.46**
Traded goods					
Gold jewellery	2,612.62	57.91	-	-	-
Precious/semi precious stones	-	0.01	-	-	-
Platinum jewellery	65.88	6.23	-	-	-
Silver jewellery and articles	0.50	-	-	-	-
	2,679.00	**64.15**	**-**	**-**	**-**
Sale of services					
Job work income	4.14	29.70	39.33	27.57	24.49
Total (B)	**4.14**	**29.70**	**39.33**	**27.57**	**24.49**
Other operating revenues					
Franchise fees	51.03	38.94	34.13	7.44	8.73
Net gain on account of foreign exchange fluctuation	-	-	15.88	14.86	33.40
Liabilities no longer required written back	-	5.52	7.47	7.88	1.86
Total (C)	**51.03**	**44.46**	**57.48**	**30.18**	**43.99**
Revenue from operations (A+B+C)	**22,140.14**	**18,423.42**	**15,315.19**	**14,337.70**	**13,181.94**

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

Note 24: Other income

(Rs. in million)

	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Interest income under the effective interest method on:					
- interest on fixed deposits with banks	42.62	38.14	33.21	39.80	21.62
- interest income from others	8.94	8.09	0.30	5.41	1.18
- discounting of financial liabilities/provision	0.47	0.47	0.50	0.43	0.33
- unwinding of discount on financial assets	6.95	5.79	4.89	1.97	0.27
Gain derecognition of financial assets	-	0.23	-	-	-
Income from commodity trading	45.89	26.59	-	-	-
Profit on sale of property. plant and equipments (net)	-	0.91	-	-	-
Other non operating income	3.97	6.21	6.05	8.29	3.04
	108.84	**86.43**	**44.95**	**55.90**	**26.44**

Note 25: Cost of materials consumed

(Rs. in million)

	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Inventory of materials at the beginning of the year	348.05	242.95	353.69	211.42	150.94
Add: Acquired pursuant to Scheme of amalgamation (Refer note 3A to Annexure V)	-	-	-	-	4.70
Purchases	17,674.59	16,318.98	14,798.84	13,562.01	11,813.65
Less: Inventory of materials at the end of the year	940.57	348.05	242.95	353.69	211.42
	17,082.07	**16,213.88**	**14,909.58**	**13,419.74**	**11,757.87**
Break-up of cost of materials consumed *					
Gold bar	15,614.06	15,544.39	14,293.46	12,833.89	11,728.62
Silver bar	97.08	79.30	43.13	36.26	20.37
Platinum bar	14.42	24.18	28.76	53.74	8.88
Diamond and precious/ semi precious stones	1,291.81	517.11	514.08	462.43	-
Novelty and accessories	64.70	48.90	30.15	33.42	-
	17,082.07	**16,213.88**	**14,909.58**	**13,419.74**	**11,757.87**

* Raw material consumption is after adjustment for shortage / excess / wastage.

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

Break-up of inventory-materials					
Gold bar	926.21	325.55	226.92	344.91	185.19
Silver bar	6.81	3.99	4.13	7.70	22.10
Platinum bar	7.55	18.51	11.90	1.08	0.07
Diamond jewellery and precious/semi precious stones	-	-	-	-	4.06
	940.57	**348.05**	**242.95**	**353.69**	**211.42**

Note 26: Purchase of stock-in-trade

(Rs. in million)

	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Gold jewellery	3,565.90	254.92	-	-	61.62
Diamond jewellery and precious/semi precious stones	-	0.67	-	-	314.39
Silver jewellery and articles	1.12	0.20	-	-	6.02
Platinum jewellery	143.83	26.57	-	-	12.60
Novelty and accessories	-	-	-	-	19.27
	3,710.85	**282.36**	**-**	**-**	**413.90**

Note 27: Changes in inventories of finished goods, stock-in-trade and work in progress

(Rs. in million)

	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Opening stock					
- Finished goods	5,411.87	4,847.85	3,223.68	2,433.46	2,140.64
- Work in progress	-	-	-	0.24	-
- Stock in trade	219.47	-	-	-	-
Total (A)	**5,631.34**	**4,847.85**	**3,223.68**	**2,433.70**	**2,140.64**
Add: Acquired pursuant to Scheme of amalgamation (Refer note 3A to Annexure V)					
- Finished goods	-	-	-	-	14.56
- Work in progress	-	-	-	-	2.49
Total (B)	**-**	**-**	**-**	**-**	**17.05**
Less: Closing stock					
- Finished goods	5,971.88	5,411.87	4,847.85	3,223.68	2,433.46
- Work in progress	-	-	-	-	0.24
- Stock in trade	1,455.86	219.47	-	-	-
Total (C)	**7,427.74**	**5,631.34**	**4,847.85**	**3,223.68**	**2,433.70**
Net change (A+B-C)	**(1,796.40)**	**(783.49)**	**(1,624.17)**	**(789.98)**	**(276.01)**

Break-up of inventory - finished goods and work in progress

(Rs. in million)

	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Gold jewellery	4,225.24	4,297.89	3,849.20	2,394.50	1,762.57
Diamond jewellery and precious/semi precious stones	1,597.54	973.96	884.55	724.15	601.38
Silver jewellery and articles	34.87	34.30	27.07	23.35	22.52
Platinum jewellery	66.27	71.99	73.92	70.47	35.41
Novelty and accessories	47.96	33.73	13.11	11.21	11.82
	5,971.88	**5,411.87**	**4,847.85**	**3,223.68**	**2,433.70**

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

Break-up of inventory - stock-in-trade					
Gold jewellery	1,345.61	197.97	-	-	-
Diamond jewellery and precious/semi precious stones	-	0.51	-	-	-
Silver jewellery and articles	0.72	0.20	-	-	-
Platinum jewellery	109.53	20.79	-	-	-
	1,455.86	**219.47**	**-**	**-**	**-**

Note 28: Employee benefits expense

(Rs. in million)

	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Salaries and bonus	355.91	231.28	173.02	134.07	77.74
Contribution to provident and other funds	34.95	23.97	16.49	2.48	3.09
Staff welfare expenses	10.62	7.60	7.12	6.69	2.46
	401.48	**262.85**	**196.63**	**143.24**	**83.29**

Note 29: Finance costs

(Rs. in million)

	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Interest expense on financial liabilities measured at amortised cost:					
on loan and others	311.30	301.38	261.95	192.36	130.25
Unwinding of discount on provisions and financial liabilities	0.46	0.42	0.43	0.37	0.26
Other borrowing costs (processing fees, etc)	60.80	27.74	24.26	-	-
	372.56	**329.54**	**286.64**	**192.73**	**130.51**

Annexure VII - Notes to the Restated Standalone Financial Information (continued)
Note 30: Other expenses

(Rs. in million)

	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Job work charges	362.75	338.55	314.29	236.92	185.42
Packing materials consumed	23.65	19.50	17.02	15.58	9.12
Rent [refer note (i) below]	231.74	203.66	163.49	65.36	30.35
Repairs to:					
- machineries	7.57	6.83	4.89	8.12	3.91
- buildings	11.05	7.51	12.78	4.97	3.87
- others	20.05	7.79	11.64	2.35	0.86
Travelling expenses	11.78	15.08	13.45	7.61	5.21
Electricity charges	36.58	28.25	22.16	14.53	7.89
Legal and professional fees	25.22	34.84	36.69	44.83	11.47
Commission on sales (others)	1.18	1.22	1.37	1.44	1.20
Excise duty related to increase/(decrease) in inventory of finished goods	(48.35)	43.28	5.84	-	-
Advertising and sales promotion	346.93	375.74	421.36	261.39	162.75
Bank charges	92.04	82.32	58.72	49.84	46.07
Insurance	19.01	26.23	19.22	13.52	9.42
Loss from commodity trading	-	-	6.77	8.79	41.05
Loss on sale of property, plant and equipments	-	-	0.06	-	-
Net loss on account of foreign exchange fluctuation	0.46	7.00	-	-	-
Rates and taxes	30.28	23.68	15.98	19.60	5.70
Payment to auditors [refer note (ii) below]	2.78	2.71	2.32	2.24	1.61
Corporate social responsibility expenses [refer note (iii) below]	9.25	21.05	0.12	-	-
Bad debts	-	-	-	10.61	2.07
Miscellaneous expenses	104.42	72.68	91.66	53.08	28.00
	1,288.39	**1,317.92**	**1,219.83**	**820.78**	**555.97**

(i) Operating Lease

The Company has taken certain premises under cancellable operating leases for a term of 9 to 25 years which are renewed on expiry of the lease tenure at mutually acceptable terms. Lease payments recognised in the Statement of Profit and Loss under Rent amounts to Rs 231.74 (31 March 2017: Rs 203.66, 31 March 2016: Rs 163.49, 31 March 2015: Rs 65.36, 31 March 2014: Rs 30.35).

(ii) Net payment to auditors

Audit Fees					
Statutory audit	2.01	2.01	1.82	1.60	1.20
Tax audit	0.39	0.39	0.35	0.35	0.20
Others (certification, etc)	0.20	0.20	0.03	-	-
Reimbursement of expenses	0.18	0.11	0.12	0.29	0.21
	2.78	**2.71**	**2.32**	**2.24**	**1.61**

(iii) Corporate Social Responsibility

Gross amount required to be spent by the Company during the year amounts to Rs 9.32 (31 March 2017: Rs 9.25; 31 March 2016: Rs 11.11; 31 March 2015: Rs 10.02)

Amount spent during the year 31 March 2018 on	**In cash**	**Yet to be paid in cash**	**Total**
Construction or acquisition of assets	9.25	-	**9.25**
Purposes other than construction or acquisition of assets	-	-	-
Amount spent during the year 31 March 2017 on	**In cash**	**Yet to be paid in cash**	**Total**
Construction or acquisition of assets	21.05	-	**21.05**
Purposes other than construction or acquisition of assets	-	-	-

The Company has made a contribution of Rs. Rs 9.25 (31 March 2017: Rs 21.05 ; 31 March 2016: Rs Nil; 31 March 2015: Rs Nil) to a registered trust considered to be a related party as per Indian Accounting Standard (AS) 24, Related Party Disclosures.

Note 31: Exceptional items

(Rs. in million)

	31 March 2018	**31 March 2017**	**31 March 2016 Proforma**	**31 March 2015 Proforma**	**31 March 2014 Proforma**
Net profit on sale of property, plant and equipment*	**173.69**	**-**	**-**	**-**	**-**
	173.69	**-**	**-**	**-**	**-**

* refer note 1(iii) for details.

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

Note 32: Earnings per share

(All amounts in Rs. million, except per share data)

		31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
i.	**(a) Calculation of weighted average number of equity shares of Rs. 10 each for basic earnings per share.**					
	Number of equity shares at the beginning of the year (in million)	17.73	17.73	17.73	17.73	17.73
	Shares issued during the year (in million) #	-	-	-	0.00	-
	Weighted average number of equity shares outstanding during the year for basic EPS (in million) (refer note below)	**53.19**	**53.19**	**53.19**	**53.19**	**53.19**
	Effect of diluted potential equity shares - compulsorily convertible non-cumulative preference shares (in million) #	13.30	13.30	13.30	6.37	-
	Weighted average number of equity shares outstanding during the year for Diluted EPS (in million) (refer note below)	**66.48**	**66.48**	**66.48**	**59.56**	**53.19**
ii.	**Net profit for the year**	**728.06**	**391.47**	**154.87**	**359.43**	**363.91**
	Less: preference dividend	-	11.09	4.44	-	-
	Less: tax on Preference dividend	-	2.26	0.90	-	-
	Net profit attributable to equity shareholders for calculation of Basic EPS	**728.06**	**378.12**	**149.53**	**359.43**	**363.91**
	Add: preference dividend and taxes thereon	-	13.35	5.34	-	-
	Net profit adjusted for the effects of diluted potential equity shares for calculation of Diluted EPS	**728.06**	**391.47**	**154.87**	**359.43**	**363.91**
iii.	**Basic Earnings per share of face value of Rs 10 each**	**13.69**	**7.11**	**2.81**	**6.76**	**6.84**
iv.	**Diluted Earnings per share of face value of Rs 10 each**	**10.95**	**5.89**	**2.33**	**6.03**	**6.84**

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

Note

As per Ind AS 33 - Earnings Per Share, if the number of ordinary or potential ordinary shares outstanding increases as a result of bonus issue, the calculation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively. If these changes occur after the reporting period but before the financial statements are approved for issue, the per share calculations for those and any prior period financial statements presented shall be based on the new number of shares.

The Board of Directors at its meeting held on 3 March 2018 had recommended issue of bonus shares, subject to the approval of shareholders in their general meeting, in the ratio of two equity shares of Rs. 10 each for every one equity share of Rs. 10 each and two compulsorily convertible non-cumulative preference shares of Rs. 10 each for every one compulsorily convertible non-cumulative preference share of Rs. 10 each of the Company as held by the shareholders as on the record date. The issue of bonus shares was approved by the shareholders of the Company in the Extra Ordinary General Meeting held on 28 March 2018, by way of special resolution, and accordingly, the Company has allotted 35,457,408 equity shares of Rs. 10 each and 8,864,102 compulsorily convertible non-cumulative preference shares of Rs. 10 each on 6 May 2018 to their shareholders. The earning per share (both basic and diluted) for the year ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 have been calculated after adjustments of the number of bonus shares issued as explained above.

100 equity shares of Rs. 10 each and 4,432,051 compulsorily convertible non-cumulative preference shares of Rs. 10 each were issued on 8 October 2014. Weighted average number of equity shares outstanding during the year ended 31 March 2015 for basic and diluted EPS has been calculated on pro-rata basis.

Note 33: Dividend on equity share and instruments entirely equity in nature (Rs. in million)

		31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
a.	**Dividend on shares declared and paid during the year**					
	Final dividend (31 March 2017 - Re 0.50 per share and 31 March 2016 - Re 1 per share)	-	11.08	22.17	-	-
	Dividend distribution tax on final dividend	-	2.26	4.51	-	-
	Interim dividend (31 March 2017 - Rs. 2 per share and 31 March 2014 - Rs. 2.50 per share)	-	44.33	-	-	44.32
	Dividend distribution tax on interim dividend	-	9.02	-	-	7.53
		-	**66.69**	**26.68**	**-**	**51.85**
b.	**Proposed dividend on shares not recognised as liability**					
	Proposed dividend (31 March 2018 - Re 0.50 per share, 31 March 2017 - Re 0.50 per share and 31 March 2015 - Re 1 per share)	33.25	-	11.08	22.17	-
		33.25	-	11.08	22.17	-
c.	**Payout ratio for 2017-18**					
	Proposed dividend on shares are subject to the approval of the shareholders of the Company at the Annual General Meeting and not recognised as liability as at the Balance Sheet date.					

34. Assets and Liabilities relating to employee benefits

(Rs. in million)

	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Net defined benefit asset - Gratuity Plan (A)	8.17	5.92	4.91	3.29	-
Net defined benefit obligation - Gratuity Plan (B)	29.21	18.37	11.00	7.04	3.21
Liability recognised in Balance Sheet (A-B)	**(21.04)**	**(12.45)**	**(6.09)**	**(3.75)**	**(3.21)**
Non-current	19.97	11.42	6.03	3.63	3.14
Current	1.07	1.03	0.06	0.12	0.07
	21.04	**12.45**	**6.09**	**3.75**	**3.21**

For details about the related employee benefits expenses, refer note 28.

Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of profit and loss as they accrue The amount recognised as an expense towards contribution to Provident and Pension Fund for the year aggregated to Rs. 15.85 million (31 March 2017: Rs. 11.41 million, 31 March 2016: Rs. 8.41 million, 31 March 2015: Rs. 3.57 million and 31 March 2014: Rs. 1.17 million)

Defined benefit plans

The Company operates one post-employment defined benefit plans for gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days basic salary for each year of completed service at the time of retirement/exit. Gratuity scheme is funded by the plan assets.

These defined benefit plans expose the Company to actuarial risks, such as currency risk, interest risk and market (investment) risk.

The Company expects to contribute Rs. 2.50 million to Gratuity Fund in the next year.

Inherent risk

The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risk pertaining to the plan. In particular, this exposes the Company, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity risk.

The following tables analyse present value of defined benefit obligations, expense recognised in Statement of Profit and Loss, actuarial assumptions and other information.

Senco Gold Limited

Annexure VII - Notes to the Restated Standalone Financial

Reconciliation of the net defined benefit (asset)/ liability:

(Rs. in million)

		31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
(I)	**Reconciliation of present value of defined benefit obligation**					
	(a) Balance at the beginning of the year	18.37	11.00	7.04	3.21	2.43
	(b) Current service cost	10.95	7.78	5.29	2.02	0.71
	(c) Interest cost	1.41	0.81	0.56	0.26	0.22
	(d) Past service cost	-	0.00	-	-	-
	(e) Benefits paid	-	(0.19)	-	-	-
	(f) Actuarial (gains)/ losses recognised in other comprehensive income					
	- change in financial assumptions	(1.97)	2.21	-	2.72	-
	- experience adjustments	0.45	(3.24)	(1.89)	(1.17)	(0.15)
	Balance at the end of the year	**29.21**	**18.37**	**11.00**	**7.04**	**3.21**
(II)	**Reconciliation of present value of plan assets**					
	(a) Balance at the beginning of the year	5.92	4.91	3.29	-	-
	(b) Interest income	0.46	0.37	0.26	-	-
	(c) Employer contributions	2.00	1.00	1.36	3.66	-
	(d) Benefits paid	-	(0.19)	-	(0.37)	-
	(e) Return on plan assets recognised in other comprehensive income	(0.21)	(0.17)	-	-	-
	Balance at the end of the year	**8.17**	**5.92**	**4.91**	**3.29**	**-**
(III)	**Net asset/ (liability) recognised in the Balance Sheet**					
	(a) Present value of defined benefit obligation	-29.21	-18.37	-11.00	(7.04)	(3.21)
	(b) Fair value of plan assets	8.17	5.92	4.91	3.29	-
	Net defined benefit obligations in the Balance Sheet	**(21.04)**	**-12.45**	**-6.09**	**-3.75**	**-3.21**
(IV)	**Expense recognised in Statement of Profit or Loss**					
	(a) Current service costs	10.95	7.78	5.29	2.02	0.71
	(b) Interest costs	1.41	0.81	0.56	0.26	0.22
	(c) Expected return on Plan Assets	(0.46)	(0.37)	(0.26)	-	-
	(d) Past service costs	-	0.00	-	-	-
	Expense recognised in the Statement of Profit and Loss	**11.90**	**8.22**	**5.59**	**2.28**	**0.93**

(V)	**Remeasurements recognised in Other Comprehensive Income**					
	(a) Actuarial gain / (loss) on defined benefit obligation	(1.52)	(1.03)	(1.89)	1.55	(0.15)
	(b) Return on plan asset excluding interest income	0.21	0.17	0.00	-	-
	Amount recognised in Other Comprehensive Income	**(1.31)**	**-0.86**	**-1.89**	**1.55**	**(0.15)**
(VI)	**Plan assets**					
	Plan assets comprise of the following:					
	(a) Invested with Life Insurance Corporation of India	**8.17**	**5.92**	**4.91**	**3.29**	**-**
(VII)	**Actuarial assumptions**					
	Principal actuarial assumptions at the reporting date (expressed as weighted averages)					
	(a) Discount rate	7.70%	7.41%	8%	8%	9%
	(b) Expected rate of return on Plan Assets	7.70%	7.41%	8%	8%	9%
	(c) Future salary growth	12.00%	12.00%	12.00%	10%	10%
	(d) Attrition rate	16.00%	16.00%	16.00%	12%	12%
	(e) Retirement age (years)	60	60	60	60	60

Assumptions regarding future mortality experience are set in accordance with the published rates under Indian Assured Lives Mortality (2006-08) Ultimate.

The estimates of future salary increases considered in actuarial valuation takes into account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Discount rate is based on the prevailing market yield of Indian Government securities as at the year end for the estimated term of the obligation.

(VIII) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below:

(Rs. in million)

	31 March 2018		**31 March 2017**		**31 March 2016 Proforma**		**31 March 2015 Proforma**		**31 March 2014 Proforma**	
	Increase	**Decrease**	**Increase**	**Decrease**	**Increase**	**Decrease**	**Increase**	**Decrease**	**Increase**	**Decrease**
(a) Discount rate (0.50% movement)	3.05	(3.48)	1.85	(2.11)	1.04	(1.18)	0.54	(0.60)	0.23	(0.25)
(b) Future salary growth (0.50% movement)	(3.16)	2.88	(1.95)	1.74	(1.08)	0.97	(0.52)	0.48	(0.24)	0.21
(c) Attrition rate (0.50% movement)	(0.06)	0.06	(0.04)	0.04	(0.03)	0.03	(0.03)	0.03	(0.02)	0.02
(d) Mortality rate (10% movement)	(0.22)	0.22	(0.13)	0.13	(0.08)	0.08	(0.05)	0.05	(0.02)	0.02

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions as shown.

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

Note 35: Related Party Transactions

As per the Indian Accounting Standards - "Related Party Disclosures" (Ind AS 24) the following disclosures are made:

A. Names of related parties and description of relationship:

Nature of the relationship	Name of the party
Key management personnel	Mr. Sankar Sen, Managing director
	Mr. Suvankar Sen, Executive Director
	Mrs. Tapashi Mullick, Non-Executive Director(upto 20 January 2015)
	Mrs. Arpita Dey, Non-Executive Director (upto 28 March 2015)
	Mr. Vishal Satinder Sood, Nominee Director (from 8 October 2014 to 23 July 2018)
	Mr. Debabrata Sarkar, Independent Director (from 20 January 2015 to 23 July 2018)
	Mr. Dipankar Chatterji .Independent Director (from 28 March 2015 to 12 January 2017)
	Mr. Atanu Sen, Independent Director (from 1 March 2017 to 23 July 2018)
	Mrs. Ranjana Sen, Non-Executive Director (upto 31 March 2018)
	Mr. Surendra Gupta, Company Secretary (from 22 May 2013)
	Mr. Vikram Nagpal, Chief Financial Officer (from 1 February 2018)
	Mr. A Parthasarthi, Chief Financial Officer (upto 17 August 2017)
	Mr. A Parthasarthi, Chief Operating Officer (from 18 August 2017 to 30 November 2017)
	Mr. Sabyasachi Gooptu, Chief Financial Officer (from 15 September 2014 to 9 October 2015)
Relatives of key management personnel	Mrs. Joita Sen, wife of Suvankar Sen
Wholly owned Subsidiary	Senco Gold Impex Private Limited (merged with effect from 1 April 2013)
	Addyashakti Properties Private Limited (merged with effect from 1 April 2015)
Enterprises controlled by key management personnel or their relatives	Mangoe Construction Private Limited
	Senco Infrastructure Private Limited
	P C Sen Charitable Trust (w.e.f 26 March 2016)
	Senco Gold Limited Employee Group Gratuity Trust Fund (w.e.f 29 February 2015)
	Jai Hanuman Shri Siddhivinayak Trust (w.e.f 31 January 2017)
	Om Gaan Ganpataye Bajrangbali Trust (w.e.f 31 January 2017)

B. Transactions with Key Managerial Personnel

Compensation of the key managerial personnel includes salaries and contribution to post-employment defined benefit plan.*

(Rs. in million)

Nature of transaction	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Short term employee benefits	26.97	26.73	28.80	26.85	14.03

*The managerial remuneration does not include gratuity and leave encashment benefits which are actuarially determined on an overall basis for the Company and individual information in respect of the directors is not available.

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

C. Transactions with Key Managerial Personnel including Directors

(Rs. in million)

Nature of transaction	Note	Transaction Value#				
		31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Rent paid	(i)	0.24	0.24	0.34	0.41	0.23
Director Sitting Fees	(ii)	0.36	0.20	0.24	0.03	-
Legal and Professional Expenses	(iii)	3.70	2.53	-	-	-
Reimbursement of Expenses	(iv)	0.29	0.41	0.72	-	-
Dividend Paid	(v)	-	35.46	8.86	17.73	44.32
Repayment of Loan	(vi)	-	2.00	-	-	-

(Rs. in million)

Particulars		Balance outstanding				
		31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Loan from directors	(vi)	-	-	(2.00)	-	-

(i) Rent paid for the premises at Chitpur to Mr. Sankar Sen and Godown rent to Mr. Suvankar Sen.

(ii) Sitting fees paid to Mr. Dipankar Chatterjee, Mr. Debabrata Sarkar and Mr. Atanu Sen for attending the meeting.

(iii) Fees for legal services paid to Mrs. Ranjana Sen in relation to her specific skills in identifying precious stones, astrological gems and jewellery.

(iv) Reimbursement of expenses paid to the Directors for expenditure incurred for the purpose of business in the normal course of business.

(v) Dividend paid to equity shareholders.

(vi) This is the interest free loan taken from Directors that was repaid during the year 31 March 2017.

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

D. Related Party Transactions other than those with key management personnel

(Rs. in million)

Nature of transaction	Transaction Value				
	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Rent paid to Mangoe Construction Private Limited	17.80	12.66	12.35	7.21	10.07
Maintenance and Licensee Fee paid to Mangoe Construction Private Limited	9.45	9.08	8.63	7.44	8.51
Advance rent paid to Mangoe Construction Private Limited	-	-	5.38	-	1.09
Advance adjusted against Rent	-	4.88	0.50	1.09	-
Loan given to Addyashakti Properties Private Limited and Senco Infrastructure Private Limited	-	-	-	38.68	33.05
Loan repaid	-	-	-	-	0.83
Security deposit given to Mangoe Construction Private Limited	-	-	-	5.72	-
Advances given to Senco Infrastructure Private Limited	-	-	-	0.12	-
Advances repaid	-	-	-	0.12	-
Contribution made to P C Sen Charitable Trust	9.25	21.05	-	-	-
Contribution made to Senco Gold Employee Gratuity Trust Fund	2.00	1.00	-	-	-

(Rs. in million)

Particulars	Balance outstanding				
	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Receivables / (payables)	-	(2.00)	-	154.14	116.56
Security deposit given	5.72	5.72	5.72	5.72	-
Advance rent paid	-	-	4.88	-	-
Investments	-	-	-	2.00	2.00
Corporate guarantee given	-	-	-	240.00	240.00

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

Note 36: Operating segments

A. Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Chief operating decision maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

The Company is engaged primarily in the business of buying, selling, remodeling, manufacturing of ornaments and articles made of gold, silver, platinum and other precious and semi precious stones and allied materials, in domestic as well as international market. The performance of the Company is assessed and reviewed by the CODM as a single operating segment and accordingly sale of gold jewellery and other articles is the only operating segment.

(Rs. in million)

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Segment Revenue					
India	20,944.05	16,806.01	13,708.45	12,637.20	10,233.84
Outside India	1,145.06	1,572.95	1,549.26	1,670.32	2,904.11
Total Segment Revenue	**22,089.11**	**18,378.96**	**15,257.71**	**14,307.52**	**13,137.95**

(Rs. in million)

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Carrying Amount of Non-current assets*					
India	1,209.76	1,269.82	1,222.41	670.75	451.90
Outside India	-	-	-	-	-
Total Non-current assets*	**1,209.76**	**1,269.82**	**1,222.40**	**670.76**	**451.90**

* It does not includes financial assets and deferred tax assets (net).

(Rs. in million)

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Capital expenditure during the year					
India	103.73	195.14	299.19	117.40	118.12
Outside India	-	-	-	-	-
Total Capital Expenditure	**103.73**	**195.14**	**299.19**	**117.40**	**118.12**

B. There is no single customer contributing 10% or more of the total revenue of the Company in any of the five years mentioned in A above.

Note 37: Contingent liabilities and commitments
(to the extent not provided for)

(i) Contingent liabilities (Rs. in million)

	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Claims against the Company not acknowledged as debts :					
Income Tax demands (under appeal)	86.75	87.59	87.59	71.18	31.07
Sales tax/VAT matters (under dispute/appeal)	7.32	4.19	3.03	3.03	3.03
Central Excise (under dispute/appeal)	18.65	9.33	9.33	9.33	9.33
Corporate Guarantee given by the Company for loan availed by its subsidiary - Addyashakti Properties Private Limited	-	-	-	240.00	240.00
Service Tax (under dispute/appeals)	27.50	5.93	-	-	-

The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business including litigation before tax authorities and including matters mentioned above. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the claimants or the Company, as the case may be, and therefore cannot be predicted accurately. The Company engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such disputes. The Management believes that it has a reasonable case in its defence of the proceedings and accordingly no further provision is required.

(ii) Commitments

	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advance)	77.58	95.26	115.98	4.64	12.56

(iii) A search and seizure operation was conducted by the Income Tax department on December 20, 2016 u/s 132 of the Income Tax Act, 1961. The Income Tax Department has issued notices u/s 153A dated 31 October 2017 and u/s 142(1) dated 5 March 2018 for the assessment years 2011-2012 to 2017-2018. In compliance to these notices u/s 153A, the company has filed the return of Income for the respective assessment years. No further personal hearings has happened with the tax authorities. Based on the search, the Deputy Director of Income Tax (Investigation), Unit-2(1), Kolkata, has filed a criminal complaint against the Company and some of the Key Management Personnel under section 277A of the Income Tax Act, 1961. Based on the facts of the matter and an independent assessment done by the Company, it does not foresee any material financial liability on this account and accordingly no adjustments have been made in these financial statements.

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

Note 38: Dues to micro and small enterprises as per MSMED Act, 2006

(Rs. in million)

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
(a) The amounts remaining unpaid to micro and small suppliers as at the end of the year					
-Principal	-	-	-	-	-
-Interest	-	-	-	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-	-	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-	-	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-	-	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-	-	-

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

Note 39: Transfer Pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Section 92-92F of the Income - Tax Act, 1961. Since the law requires the existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation of the domestic transactions entered into with the associated enterprises during the assessment year and expects such records to be in existence latest by due date as required under law. The management is of the opinion that its domestic transaction are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

Note 40: Customer advances

During the year, the Company has settled customer advances taken under certain schemes amounting to Rs. 145.56 (31 March 2017 Rs. 106.46, 31 March 2016 Rs. 167.78) which was lying outstanding for more than three hundred and sixty five days. Further, such customer advances amounting to Rs. 16.44 (31 March 2017 Rs. 8.02, 31 March 2016 Rs. 8.89) remains outstanding as at 31 March 2018. The Company, based on its internal assessment and on an independent legal opinion, is of the view that such action of the Company and the resulting outcome of such transactions during the year and the year-end balance do not have any material impact, on these accompanying financial statements in relation to the provisions of Section 73 to 76 of the Companies Act 2013.

Note 41: Financial instruments - fair values and risk management

A. Accounting classification and fair values

(Rs. in million)

	31 March 2018				31 March 2017				31 March 2016 Proforma				31 March 2015 Proforma				31 March 2014 Proforma				Fair value level
Financial instruments by category	**Amortised Cost**	**FVTPL**	**FVOCI**	**Total**	**Amortised Cost**	**FVTPL**	**FVOCI**	**Total**	**Amortised Cost**	**FVTPL**	**FVOCI**	**Total**	**Amortised Cost**	**FVTPL**	**FVOCI**	**Total**	**Amortised Cost**	**FVTPL**	**FVOCI**	**Total**	
Financial Assets																					
Investments (Refer note 1 below)	-	-	0.26	0.26	-	-	0.10	0.10	-	-	0.10	0.10	2.00	-	-	2.00	2.00	-	-	2.00	Level 3
Loans	122.89	-	-	122.89	123.46	-	-	123.46	79.20	-	-	79.20	217.40	-	-	217.40	131.06	-	-	131.06	
Trade receivables	402.62	-	-	402.62	663.88	-	-	663.88	789.01	-	-	789.01	436.87	-	-	436.87	523.49	-	-	523.49	
Cash and cash equivalents	730.86	-	-	730.86	428.33	-	-	428.33	693.76	-	-	693.76	130.74	-	-	130.74	498.16	-	-	498.16	
Bank balances other than above	660.37	-	-	660.37	229.43	-	-	229.43	380.58	-	-	380.58	243.58	-	-	243.58	170.16	-	-	170.16	
Derivatives (Refer note 2 below)	-	-	-	-	-	7.95	-	7.95	-	-	-	-	-	-	-	-	-	-	-	-	Level 2
Other financial assets	23.91	-	-	23.91	22.45	-	-	22.45	70.72	-	-	70.72	145.64	-	-	145.64	41.88	-	-	41.88	
Total Financial Assets	**1,940.65**	**-**	**0.26**	**1,940.91**	**1,467.55**	**7.95**	**0.10**	**1,475.60**	**2,013.27**	**-**	**0.10**	**2,013.37**	**1,176.23**	**-**	**-**	**1,176.23**	**1,366.75**	**-**	**-**	**1,366.75**	
Financial Liabilities																					
Borrowings	5,812.32	-	-	5,812.32	4,414.66	-	-	4,414.66	4,209.13	-	-	4,209.13	2,001.51	-	-	2,001.51	1,968.37	-	-	1,968.37	
Trade payables	609.00	-	-	609.00	387.36	-	-	387.36	561.26	-	-	561.26	121.21	-	-	121.21	64.49	-	-	64.49	
Derivatives	-	174.78	-	174.78	-	-	-	-	-	198.50	-	198.50	-	11.60	-	11.60	-	0.75	-	0.75	Level 2
Other financial liabilities	80.60	-	-	80.60	158.38	-	-	158.38	84.18	-	-	84.18	34.83	-	-	34.83	25.99	-	-	25.99	
Total Financial Liabilities	**6,501.92**	**174.78**	**-**	**6,676.70**	**4,960.40**	**-**	**-**	**4,960.40**	**4,854.57**	**198.50**	**-**	**5,053.07**	**2,157.55**	**11.60**	**-**	**2,169.15**	**2,058.85**	**0.75**	**-**	**2,059.60**	

Notes

1. Investments in subsidiary classified as equity investments have been accounted at historical cost. Since these are scoped out of Ind AS 109, Financial Instruments, for the purposes of measurement, the same have not been disclosed in the tables above. Investments in unquoted equity shares of entities other than subsidiaries have been designated as FVOCI.
2. The fair valuation of Derivative financial assets and liabilities are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.
3. The carrying amounts of financial assets and liabilities other than those valued at Level 2 and Level 3 are considered to be the same as their fair values due to the current and short term nature of such balances and no material differences in the values.

B. Level 3 fair values. Movement in the values of unquoted equity instruments

(Rs. in million)

Particulars	As at 31 March				
	2018	**2017**	**2016 Proforma**	**2015 Proforma**	**2014 Proforma**
Opening balance	0.10	0.10	-	-	-
Acquired on amalgamation (Refer to note 3A)	-	-	0.01	-	-
Equity instruments through OCI - net change in fair value	0.16	-	0.09	-	-
Closing balance	**0.26**	**0.10**	**0.10**	**-**	**-**

C. Measurement of fair values

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(Rs. in million)

Note 41: Financial instruments - fair values and risk management (continued)

D. Financial risk management

The Company has exposure to the following risks arising from financial instruments:
(i) Credit risk
(ii) Liquidity risk
(iii) Market risk

Risk management framework

The Company’s principal financial liabilities includes borrowings, trade payable and other financial liabilities. The main purpose of these financial liabilities is to finance the Company’s operations. The Company’s principal financial assets include trade receivables, cash and cash equivalents, other bank balances and other financial assets that derive directly from its operations.

The Company’s activities expose it to credit risk, liquidity risk and market risk. The Company’s primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The Company’s risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company’s activities.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company’s receivables from customers and loans given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to customers, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Trade receivables

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due to the Company causing financial loss. It arises from cash and cash equivalents, deposits with banks and financial institutions, security deposits, loans given and principally from credit exposures to customers relating to outstanding receivables. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at reporting date. The Company continuously monitors defaults of customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls.

In respect of trade and other receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any company of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various geographical areas. The Company has very limited history of customer default, and considers the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and cash equivalents, bank deposits, loans and derivative financial instruments is considered negligible, since the counterparties are reputable organisations with high quality external credit ratings.

The following tables provide information about the exposure to credit risk for trade receivables as at 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 respectively:

(Rs. in million)

	less than 60 days	from 61 to 90 days	from 91 to 180 days	from 180 to 365 days	more than 365 days	Total
As at 31 March 2018	278.01	30.46	55.28	6.82	32.23	402.80
As at 31 March 2017	343.83	43.95	35.78	152.17	88.33	664.06
As at 31 March 2016	406.11	31.48	226.40	125.20	-	789.19
As at 31 March 2015	228.44	139.14	64.55	2.76	2.16	437.05
As at 31 March 2014	362.26	2.45	158.93	0.03	-	523.67

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

(ii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's finance team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

(Rs. in million)

		Contractual cashflows			
31 March 2018	**Carrying amount**	**Total**	**Less than 1 year**	**1 - 2 years**	**More than 2 years**
Borrowings	5,812.32	5,812.32	5,808.10	4.22	-
Trade payables	609.00	609.00	609.00	-	-
Derivative liabilities	174.78	174.78	174.78	-	-
Other financial liabilities	80.60	80.60	73.66	-	6.94
	6,676.70	**6,676.70**	**6,665.54**	**4.22**	**6.94**

(Rs. in million)

		Contractual cashflows			
31 March 2017	**Carrying amount**	**Total**	**Less than 1 year**	**1 - 2 years**	**More than 2 years**
Borrowings	4,414.66	4,414.66	4,382.96	31.70	-
Trade payables	387.36	387.36	387.36	-	-
Derivative liabilities	-	-	-	-	-
Other financial liabilities	158.38	158.38	151.90	-	6.48
	4,960.40	**4,960.40**	**4,922.22**	**31.70**	**6.48**

(Rs. in million)

		Contractual cashflows			
31 March 2016 Proforma	**Carrying amount**	**Total**	**Less than 1 year**	**1 - 2 years**	**More than 2 years**
Borrowings	4,209.13	4,209.13	4,076.57	96.64	35.92
Trade payables	561.26	561.26	561.26	-	-
Derivative liabilities	198.50	198.50	198.50	-	-
Other financial liabilities	84.18	84.18	78.30	-	5.88
	5,053.07	**5,053.07**	**4,914.63**	**96.64**	**41.80**

(Rs. in million)

		Contractual cashflows			
31 March 2015 Proforma	**Carrying amount**	**Total**	**Less than 1 year**	**1 - 2 years**	**More than 2 years**
Borrowings	2,001.51	2,001.51	1,927.85	73.66	-
Trade payables	121.21	121.21	121.21	-	-
Derivative liabilities	11.60	11.60	11.60	-	-
Other financial liabilities	34.83	34.83	30.03	-	4.80
	2,169.15	**2,169.15**	**2,090.69**	**73.66**	**4.80**

(Rs. in million)

		Contractual cashflows			
31 March 2014 Proforma	**Carrying amount**	**Total**	**Less than 1 year**	**1 - 2 years**	**More than 2 years**
Borrowings	1,968.37	1,968.37	1,880.15	14.56	73.66
Trade payables	64.49	64.49	64.49	-	-
Derivative liabilities	0.75	0.75	0.75	-	-
Other financial liabilities	25.99	25.99	22.00	-	3.99
	2,059.60	**2,059.60**	**1,967.39**	**14.56**	**77.65**

(iii) Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(a) Currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency.

(Rs. in million)

Exposure to currency risk	Currency	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Trade receivables	USD (in million)	2.71	6.54	6.35	5.82	8.34
	Rs.	176.41	424.18	420.92	363.99	501.37
Trade payables	USD (in million)	0.09	-	0.07	-	-
	Rs.	5.72	-	4.88	-	-
Net exposure in respect of recognised financial assets and liabilities	**USD (in million)**	**2.62**	**6.54**	**6.28**	**5.82**	**8.34**
	Rs.	**170.69**	**424.18**	**416.04**	**363.99**	**501.37**

Sensitivity analysis

A reasonably possible strengthening /weakening of the Indian Rupee against US dollars at 31 March would have affected the measurement of financial instruments denominated in US dollars and affects profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(Rs. in million)

Particulars	Profit or loss				
	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
INR/USD strengthening [5% movement (previous year 5%)]	8.53	21.21	20.80	18.20	25.07
INR/USD weakening [5% movement (previous year 5%)]	(8.53)	(21.21)	(20.80)	(18.20)	(25.07)

(Rs. in million)

Particulars	Equity (net of tax)				
	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
INR/USD strengthening [5% movement (previous year 5%)]	5.58	13.87	13.60	12.01	16.55
INR/USD weakening [5% movement (previous year 5%)]	(5.58)	(13.87)	(13.60)	(12.01)	(16.55)

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's long term and short term borrowing with floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

The interest rate profile of the Company 's interest bearing financial instruments at the end of the reporting period are as follows:

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

(Rs. in million)

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Fixed rate instruments					
Financial assets	780.15	427.06	853.23	369.44	323.31
Financial liabilities	(29.84)	(94.11)	(103.09)	(88.02)	(100.77)
	750.31	**332.95**	**750.14**	**281.42**	**222.54**
Variable rate instruments					
Financial assets	-	-	-	-	-
Financial liabilities	(5,808.10)	(4,429.72)	(4,149.36)	(1,927.86)	(1,880.15)
	(5,808.10)	**(4,429.72)**	**(4,149.36)**	**(1,927.86)**	**(1,880.15)**

Sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

A reasonably possible change of 100 basis points in variable rate instruments at the reporting dates would have increased or decreased profit or loss by the amounts shown below:

(Rs. in million)

Particulars	Profit or loss				
	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Variable rate instruments - increase by 100 basis points (1%)	(58.08)	(44.30)	(41.49)	(19.28)	(18.80)
Variable rate instruments - decrease by 100 basis points	58.08	44.30	41.49	19.28	18.80

(Rs. in million)

Particulars	Equity (net of tax)				
	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Variable rate instruments - increase by 100 basis points (1%)	(37.98)	(28.97)	(27.13)	(12.73)	(12.41)
Variable rate instruments - decrease by 100 basis points	37.98	28.97	27.13	12.73	12.41

The sensitivity analysis above has been determined for borrowings assuming the amount of borrowings outstanding at the end of the reporting period was outstanding for the whole year.

Note 41: Financial instruments - fair values and risk management (continued)

E. Hedging activity and derivatives

Fair value hedge of gold price risk in inventory

The Company enters into contracts to purchase gold wherein the Company has the option to fix the purchase price based on market price of gold during a stipulated time period. The prices are linked to gold prices. Accordingly, these contracts are considered to have an embedded derivative (represented in the said option to fix the price) that is required to be separated from the host contract which is the gold loan liability. Such feature is kept to hedge against exposure in the value of inventory of gold due to volatility in gold prices. The Company designates the embedded derivative in the payable for such purchases as the hedging instrument in fair value hedging of inventory. The carrying value of inventory which are designated under fair value hedge relationship are measured at fair value at each reporting date.

Disclosure of effects of fair value hedge accounting on financial position:
Hedged item - Changes in fair value of inventory attributable to change in gold prices
Hedging instrument - Changes in fair value of the option to fix prices of gold purchases, as described above

As at 31 March 2018 (Rs. in million)

Commodity price risk	Carrying amount of hedge item		Carrying amount of hedging instrument		Maturity date	Balance sheet classification	Impact of change in fair value relating to the hedged risk (spot)
	Assets	Liabilities	Assets	Liabilities			
Hedged item - inventory of gold	3,725.19	-	NA	NA	Range - with in six to nine months	Inventories	151.18
Hedging instrument - option to fix gold price	NA	NA	-	174.78	Range - with in six to nine months	Derivatives	151.18

As at 31 March 2017 (Rs. in million)

Commodity price risk	Carrying amount of hedge item		Carrying amount of hedging instrument		Maturity date	Balance sheet classification	Impact of change in fair value relating to the hedged risk (spot)
	Assets	Liabilities	Assets	Liabilities			
Hedged item - inventory of gold	1,672.55	-	NA	NA	Range - with in six to nine months	Inventories	3.54
Hedging instrument - option to fix gold price	NA	NA	7.95	-	Range - with in six to nine months	Derivatives	3.54

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

As at 31 March 2016 Proforma (Rs. in million)

Commodity price risk	Carrying amount of hedge item		Carrying amount of hedging instrument		Maturity date	Balance sheet classification	Impact of change in fair value relating to the hedged risk (spot)
	Assets	Liabilities	Assets	Liabilities			
Hedged item - inventory of gold	2,456.26	-	NA	NA	Range - with in six to nine months	Inventories	121.88
Hedging instrument - option to fix gold price	NA	NA	-	198.50	Range - with in six to nine months	Derivatives	121.88

As at 31 March 2015 Proforma (Rs. in million)

Commodity price risk	Carrying amount of hedge item		Carrying amount of hedging instrument		Maturity date	Balance sheet classification	Impact of change in fair value relating to the hedged risk (spot)
	Assets	Liabilities	Assets	Liabilities			
Hedged item - inventory of gold	911.91	-	NA	NA	Range - with in six to nine months	Inventories	2.41
Hedging instrument - option to fix gold price	NA	NA	-	11.60	Range - with in six to nine months	Derivatives	2.41

As at 31 March 2014 Proforma (Rs. in million)

Commodity price risk	Carrying amount of hedge item		Carrying amount of hedging instrument		Maturity date	Balance sheet classification	Impact of change in fair value relating to the hedged risk (spot)
	Assets	Liabilities	Assets	Liabilities			
Hedged item - inventory of gold	187.87	-	NA	NA	Range - with in six to nine months	Inventories	0.52
Hedging instrument - option to fix gold price	NA	NA	-	0.75	Range - with in six to nine months	Derivatives	0.52

Note 42: Capital management

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure the Company monitors the return on capital, as well as the level of dividends to equity shareholders. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. For the purpose of the Company's capital management, capital includes issued equity share capital, instruments entirely equity in nature and all other equity reserves attributable to the equity holders and debt includes borrowings.

The Company monitors capital on the basis of the following gearing ratio.

(Rs. in million)

Particulars	**31 March 2018**	**31 March 2017**	**31 March 2016 Proforma**	**31 March 2015 Proforma**	**31 March 2014 Proforma**
Total debt (Bank and other borrowings)	5,837.94	4,523.83	4,254.45	2,015.88	1,980.92
Equity	3,982.66	3,253.70	2,928.36	2,801.33	1,643.14
Debt to equity ratio	**1.47:1**	**1.39:1**	**1.45:1**	**0.72:1**	**1.21:1**

Note 43: First-time adoption of Ind AS

First Time Adoption of Ind AS

As stated in Note 2 of Annexure V, the Company prepared the first standalone financial statements in accordance with Ind AS for the year ended 31 March 2018 including the comparative information for the year ended 31 March 2017 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2016.

The Company had prepared the financial statements for the year ended 31 March 2015 and 31 March 2016 in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act and financial statements for the years ended 31 March 2014 in accordance with Accounting standards prescribed under Section 211 (3C) of the Companies Act, 1956 read with the Companies Accounting Standard Rules (2006) (collectively "Previous GAAP"). The Restated Standalone Financial Information for these years has been prepared as per the Guidance Note on Reports in Company Prospectuses (Revised 2016), issued by the Institute of Chartered Accountants of India, by appropriately adjusting amounts reported under Previous GAAP based on requirements of Ind AS. The Company has followed the same accounting policy choice as initially adopted on transition date i.e. 1 April 2016 while preparing Restated Standalone Financial Information for the years ended 31 March 2014, 31 March 2015 and 31 March 2016.

This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with Previous GAAP and how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

A. Optional Exemptions from retrospective application

Ind AS 101 permits first-time adopters certain exemptions from retrospective application of certain requirements under Ind AS. The Company has elected to apply the following optional exemptions from retrospective application -

(i) Business combinations

Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries and transactions which are considered businesses for Ind AS, that occurred before 1 April 2016. The carrying amounts of assets and liabilities in accordance with Previous GAAP are considered as their deemed cost at the date of acquisition. After the date of the acquisition, measurement is in accordance with Ind AS.

(ii) Deemed cost for property, plant and equipment and intangible assets

As per Ind AS 101 an entity may elect to:

(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date

(ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of revaluation, provided the revaluation was, at the date of revaluation, broadly comparable to:

- fair value
- or cost or depreciated cost under Ind AS adjusted to reflect.

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets also. There is no decommissioning liabilities to be incurred by the Company relating to property, plant and equipment.

(iii) Designation of previously recognised financial instruments

Ind AS 101 permits an entity to designate particular equity investments (other than equity investments in subsidiaries, associates and joint arrangements) as at fair value through other comprehensive income (FVOCI) based on facts and circumstances at the date of transition to Ind AS (rather than at initial recognition). Other equity investments are classified at fair value through profit or loss (FVTPL).

The Company has opted to avail this exemption to designate certain equity investments as FVOCI on the date of transition i.e. 1 April 2016 on the basis of facts and circumstances existed at the date of transition to Ind AS.

(iv) Fair value measurement of financial assets or liabilities at initial recognition

The Company has applied the requirements of Ind AS 109, "Financial Instruments: Recognition and Measurement", wherever applicable.

B. Mandatory exceptions

(i) Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error.

However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement.

(ii) Derecognition of financial assets and liabilities

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the derecognition principles of Ind AS 109 retrospectively as reliable information was available at the time of initially accounting for these transactions.

(iii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

Note 43: First-time adoption of Ind AS (continued)

C. Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity and total comprehensive income for prior periods. The following table represents the equity reconciliation from previous GAAP to Ind AS:

Reconciliation of equity as at 31 March 2017 (Rs. in million)

Particulars	**Notes**	**Previous GAAP***	**Ind AS Adjustments**	**Ind AS**	**Restatement adjustments**	**Restated Ind AS**
ASSETS						
Non-current assets						
Property, plant and equipment		959.02	-	959.02	-	959.02
Capital work-in-progress		8.62	-	8.62	-	8.62
Intangible assets		23.96	-	23.96	-	23.96
Financial assets						-
Investments	F - (a)	0.01	0.09	0.10	-	0.10
Loans	F - (b)	156.78	(73.09)	83.69	-	83.69
Other financial assets		10.03	-	10.03	-	10.03
Deferred tax assets (net)		42.01	(2.13)	39.88	2.48	42.36
Non-current tax assets (net)		105.93	-	105.93	-	105.93
Other non-current assets	F - (b)	113.84	58.45	172.29	-	172.29
Total non-current assets		**1,420.20**	**(16.68)**	**1,403.52**	2.48	**1,406.00**
Current assets						
Inventories	F - (c)	5,967.89	11.50	5,979.39	-	5,979.39
Financial assets						
Trade receivables		676.57	-	676.57	(12.69)	663.88
Cash and cash equivalents		428.33	-	428.33	-	428.33
Bank balances other than above		229.43	-	229.43	-	229.43
Loans		39.77	-	39.77	-	39.77
Derivatives	F - (c)	-	7.95	7.95	-	7.95
Other financial assets		12.42	-	12.42	-	12.42
Other current assets	F - (b)	84.20	8.50	92.70	-	92.70
		7,438.61	27.95	7,466.56	(12.69)	7,453.87
Assets held for sale		8.06	-	8.06	-	8.06
Total current assets		**7,446.67**	**27.95**	**7,474.62**	**(12.69)**	**7,461.93**
Total assets		**8,866.87**	**11.27**	**8,878.14**	**(10.21)**	**8,867.93**

Note 43: First-time adoption of Ind AS (continued)

EQUITY AND LIABILITIES						
Equity						
Equity share capital		177.29	-	177.29	-	177.29
Instruments entirely equity in nature		44.32	-	44.32	-	44.32
Other equity	F - (a, b, c, d,e,f)	3,032.74	4.03	3,036.77	(4.68)	3,032.09
Total equity		**3,254.35**	**4.03**	**3,258.38**	**(4.68)**	**3,253.70**
Liabilities						
Non-current liabilities						
Financial liabilities						
Borrowings	F - (d)	31.77	(0.07)	31.70	-	31.70
Other financial liabilities	F - (e)	9.11	(2.63)	6.48	-	6.48
Provisions		29.56	-	29.56	-	29.56
Deferred tax liabilities (Net)		-	-	-	-	-
Other Non current liabilities	F - (e)	-	1.73	1.73	-	1.73
Total non-current liabilities		**70.44**	**(0.97)**	**69.47**	-	**69.47**
Current liabilities						
Financial liabilities						
Borrowings	F - (c)	4,375.01	7.95	4,382.96	-	4,382.96
Trade payables		387.36	-	387.36	-	387.36
Derivatives	F - (c)	-	-	-	-	-
Other financial liabilities	F - (d)	152.11	(0.21)	151.90	-	151.90
Other current liabilities	F - (e)	523.68	0.47	524.15	(5.53)	518.62
Provisions	F - (f)	49.97	-	49.97	-	49.97
Current tax liabilities (net)		53.95	-	53.95	-	53.95
Total current liabilities		**5,542.08**	**8.21**	**5,550.29**	**(5.53)**	**5,544.76**
Total liabilities		**5,612.52**	**7.24**	**5,619.76**	**(5.53)**	**5,614.23**
Total equity and liabilities		**8,866.87**	**11.27**	**8,878.14**	**(10.21)**	**8,867.93**

*Previous GAAP numbers have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

Note 43: First-time adoption of Ind AS (continued)

Reconciliation of equity as at 31 March 2016 (Rs. in million)

Particulars	Notes	Previous GAAP*	Ind AS Adjustments	Ind AS	Restatement adjustments	Restated Ind AS
ASSETS						
Non-current assets						
Property, plant and equipment		941.93	-	941.93	-	941.93
Capital work-in-progress		5.66	-	5.66	-	5.66
Intangible assets		19.57	-	19.57	-	19.57
Financial assets						-
Investments	F - (a)	0.01	0.09	0.10	-	0.10
Loans	F - (b)	130.50	(68.00)	62.50	-	62.50
Other financial assets		41.60	-	41.60	-	41.60
Deferred tax assets (net)		19.21	27.58	46.79	2.71	49.50
Non-current tax assets (net)		105.93	-	105.93	-	105.93
Other non-current assets	F - (b)	92.92	56.39	149.31	-	149.31
Total non-current assets		**1,357.33**	**16.06**	**1,373.39**	**2.71**	**1,376.10**
Current assets						
Inventories	F - (c)	5,167.43	(76.63)	5,090.80	-	5,090.80
Financial assets						
Trade receivables		801.70	-	801.70	(12.69)	789.01
Cash and cash equivalents		693.76	-	693.76	-	693.76
Bank balances other than above		380.58	-	380.58	-	380.58
Loans	F - (c)	16.70	-	16.70	-	16.70
Other financial assets		29.12	-	29.12	-	29.12
Other current assets	F - (b)	36.92	7.74	44.66	-	44.66
		7,126.21	(68.89)	7,057.32	(12.69)	7,044.63
Assets held for sale		-	-	-	-	-
Total current assets		**7,126.21**	**(68.89)**	**7,057.32**	**(12.69)**	**7,044.63**
Total assets		**8,483.54**	**(52.83)**	**8,430.71**	**(9.98)**	**8,420.73**

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

Note 43: First-time adoption of Ind AS (continued)

EQUITY AND LIABILITIES						
Equity						
Equity share capital		177.29	-	177.29	-	177.29
Instruments entirely equity in nature		44.32	-	44.32	-	44.32
Other equity	F - (a, b, c, d,e,f)	2,750.61	(38.77)	2,711.84	(5.09)	2,706.75
Total equity		**2,972.22**	**(38.77)**	**2,933.45**	**(5.09)**	**2,928.36**
Liabilities						
Non-current liabilities						
Financial liabilities						
Borrowings	F - (d)	132.84	(0.28)	132.56	-	132.56
Other financial liabilities	F - (e)	8.91	(3.03)	5.88	-	5.88
Provisions		19.25	-	19.25	-	19.25
Deferred tax liabilities (Net)		-	-	-	-	-
Other Non current liabilities	F - (e)	-	2.19	2.19	-	2.19
Total non-current liabilities		**161.00**	**(1.12)**	**159.88**	**-**	**159.88**
Current liabilities						
Financial liabilities						
Borrowings	F - (c)	4,275.07	(198.50)	4,076.57	-	4,076.57
Trade payables		561.26	-	561.26	-	561.26
Derivatives	F - (c)	-	198.50	198.50	-	198.50
Other financial liabilities	F - (d)	78.35	(0.05)	78.30	-	78.30
Other current liabilities	F - (e)	414.99	0.46	415.45	(4.89)	410.56
Provisions	F - (f)	19.40	(13.35)	6.05	-	6.05
Current tax liabilities (net)		1.25	-	1.25	-	1.25
Total current liabilities		**5,350.32**	**(12.94)**	**5,337.38**	**(4.89)**	**5,332.49**
Total liabilities		**5,511.32**	**(14.06)**	**5,497.26**	**(4.89)**	**5,492.37**
Total equity and liabilities		**8,483.54**	**(52.83)**	**8,430.71**	**(9.98)**	**8,420.73**

*Previous GAAP numbers have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

Note 43: First-time adoption of Ind AS (continued)

Reconciliation of equity as at 31 March 2015 (Rs. in million)

Particulars	Notes	Previous GAAP*	Ind AS Adjustments	Ind AS	Restatement adjustments	Restated Ind AS
ASSETS						
Non-current assets						
Property, plant and equipment		432.54	-	432.54	-	432.54
Capital work-in-progress		129.57	-	129.57	-	129.57
Intangible assets		8.03	-	8.03	-	8.03
Financial assets						-
Investments	F - (a)	2.00	-	2.00	-	2.00
Loans	F - (b)	249.22	(52.24)	196.98	-	196.98
Other financial assets		125.85	-	125.85	-	125.85
Deferred tax assets (net)		0.82	3.41	4.23	(0.12)	4.11
Non-current tax assets (net)		36.52	-	36.52	-	36.52
Other non-current assets	F - (b)	20.63	43.47	64.10	-	64.10
Total non-current assets		**1,005.18**	**(5.36)**	**999.82**	**(0.12)**	**999.70**
Current assets						
Inventories	F - (c)	3,586.56	(9.19)	3,577.37	-	3,577.37
Financial assets						
Trade receivables		449.56	-	449.56	(12.69)	436.87
Cash and cash equivalents		130.74	-	130.74	-	130.74
Bank balances other than above		243.58	-	243.58	-	243.58
Loans		20.42	-	20.42	-	20.42
Derivatives	F - (c)	-	-	-	-	-
Other financial assets		19.79	-	19.79	-	19.79
Other current assets	F - (b)	25.81	7.18	32.99	-	32.99
		4,476.46	(2.01)	4,474.45	(12.69)	4,461.76
Assets held for sale		-	-	-	-	-
Total current assets		**4,476.46**	**(2.01)**	**4,474.45**	**(12.69)**	**4,461.76**
Total assets		**5,481.64**	**(7.37)**	**5,474.27**	**(12.81)**	**5,461.46**

Note 43: First-time adoption of Ind AS (continued)

EQUITY AND LIABILITIES						
Equity						
Equity share capital		177.29	-	177.29	-	177.29
Instruments entirely equity in nature		44.32	-	44.32	-	44.32
Other equity	F - (a, b, c, d,e,f)	2,559.43	20.05	2,579.48	0.24	2,579.72
Total equity		**2,781.04**	**20.05**	**2,801.09**	**0.24**	**2,801.33**
Liabilities						
Non-current liabilities						
Financial liabilities						
Borrowings	F - (d)	74.00	(0.34)	73.66	-	73.66
Other financial liabilities	F - (e)	7.51	(2.71)	4.80	-	4.80
Provisions		13.12	-	13.12	-	13.12
Deferred tax liabilities (Net)		-	-	-	-	-
Other Non current liabilities	F - (e)	-	1.90	1.90	-	1.90
Total non-current liabilities		**94.63**	**(1.15)**	**93.48**	**-**	**93.48**
Current liabilities						
Financial liabilities						
Borrowings	F - (c)	1,939.45	(11.60)	1,927.85	-	1,927.85
Trade payables		121.21	-	121.21	-	121.21
Derivatives	F - (c)	-	11.60	11.60	-	11.60
Other financial liabilities	F - (d)	30.10	(0.07)	30.03	-	30.03
Other current liabilities	F - (e)	477.33	0.48	477.81	(13.05)	464.76
Provisions	F - (f)	26.89	(26.68)	0.21	-	0.21
Current tax liabilities (net)		10.99	-	10.99	-	10.99
Total current liabilities		**2,605.97**	**(26.27)**	**2,579.70**	**(13.05)**	**2,566.65**
Total liabilities		**2,700.60**	**(27.42)**	**2,673.18**	**(13.05)**	**2,660.13**
Total equity and liabilities		**5,481.64**	**(7.37)**	**5,474.27**	**(12.81)**	**5,461.46**

*Previous GAAP numbers have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Note 43: First-time adoption of Ind AS (continued)

Reconciliation of equity as at 31 March 2014 (Rs. in million)

Particulars	Notes	Previous GAAP*	Ind AS Adjustments	Ind AS	Restatement adjustments	Restated Ind AS
ASSETS						
Non-current assets						
Property, plant and equipment		380.33	-	380.33	-	380.33
Capital work-in-progress		19.09	-	19.09	-	19.09
Intangible assets		8.25	-	8.25	-	8.25
Financial assets						-
Investments	F - (a)	2.00	-	2.00	-	2.00
Loans	F - (b)	117.90	(5.82)	112.08	-	112.08
Other financial assets		33.15	-	33.15	-	33.15
Deferred tax assets (net)		-	-	-	-	-
Non-current tax assets (net)		36.52	-	36.52	-	36.52
Other non-current assets	F - (b)	5.43	2.28	7.71	-	7.71
Total non-current assets		**602.67**	**(3.54)**	**599.13**	-	**599.13**
Current assets						
Inventories	F - (c)	2,645.34	(0.22)	2,645.12	-	2,645.12
Financial assets						
Trade receivables		525.57	-	525.57	(2.08)	523.49
Cash and cash equivalents		498.16	-	498.16	-	498.16
Bank balances other than above		170.16	-	170.16	-	170.16
Loans		18.98	-	18.98	-	18.98
Derivatives	F - (c)	-	-	-	-	-
Other financial assets		8.73	-	8.73	-	8.73
Other current assets	F - (b)	17.17	3.19	20.36	-	20.36
		3,884.11	2.97	3,887.08	(2.08)	3,885.00
Assets held for sale		-	-	-	-	-
Total current assets		**3,884.11**	**2.97**	**3,887.08**	**(2.08)**	**3,885.00**
Total assets		**4,486.78**	**(0.57)**	**4,486.21**	**(2.08)**	**4,484.13**

Senco Gold Limited

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

Note 43: First-time adoption of Ind AS (continued)

EQUITY AND LIABILITIES						
Equity						
Equity share capital		177.29	-	177.29	-	177.29
Instruments entirely equity in nature		-	-	-	-	-
Other equity	F - (a, b, c, d,e,f)	1,463.84	(0.02)	1,463.82	2.03	1,465.85
Total equity		**1,641.13**	**(0.02)**	**1,641.11**	**2.03**	**1,643.14**
Liabilities						
Non-current liabilities						
Financial liabilities						
Borrowings	F - (d)	88.43	(0.21)	88.22	-	88.22
Other financial liabilities	F - (e)	6.41	(2.42)	3.99	-	3.99
Provisions		6.31	-	6.31	-	6.31
Deferred tax liabilities (Net)		7.48	(0.02)	7.46	1.06	8.52
Other Non current liabilities	F - (e)	-	1.74	1.74	-	1.74
Total non-current liabilities		**108.63**	**(0.91)**	**107.72**	**1.06**	**108.78**
Current liabilities						
Financial liabilities						
Borrowings	F - (c)	1,880.90	(0.75)	1,880.15	-	1,880.15
Trade payables		64.49	-	64.49	-	64.49
Derivatives	F - (c)	-	0.75	0.75	-	0.75
Other financial liabilities	F - (d)	22.08	(0.08)	22.00	-	22.00
Other current liabilities	F - (e)	768.11	0.44	768.55	(5.17)	763.38
Provisions	F - (f)	0.13	-	0.13	-	0.13
Current tax liabilities (net)		1.31	-	1.31	-	1.31
Total current liabilities		**2,737.02**	**0.36**	**2,737.38**	**(5.17)**	**2,732.21**
Total liabilities		**2,845.65**	**(0.55)**	**2,845.10**	**(4.11)**	**2,840.99**
Total equity and liabilities		**4,486.78**	**(0.57)**	**4,486.21**	**(2.08)**	**4,484.13**

*Previous GAAP numbers have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Note 43: First-time adoption of Ind AS (continued)

D. Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity and total comprehensive income for prior periods. The following table represents the total comprehensive income reconciliation from previous GAAP to Ind AS:

Reconciliation of total comprehensive income for the year 2016-17 (Rs. in million)

Particulars	Notes	Previous GAAP*	Ind AS Adjustments	Ind AS	Restatement adjustments	Restated Ind AS
Revenue from operations	F - (h)	18,309.67	113.12	18,422.79	0.63	18,423.42
Other income	F - (b,e)	79.93	6.50	86.43	-	86.43
Total income		**18,389.60**	**119.62**	**18,509.22**	**0.63**	**18,509.85**
Expenses						
Cost of materials consumed	F - (c)	16,219.26	(5.38)	16,213.88	-	16,213.88
Purchases of stock in trade		282.36	-	282.36	-	282.36
Changes in inventories of finished goods, stock in trade and work in progress	F - (c)	(700.75)	(82.74)	(783.49)	-	(783.49)
Excise duty	F - (h)	-	113.12	113.12	-	113.12
Employee benefit expense	F - (g)	261.99	0.86	262.85	-	262.85
Finance costs	F - (d, e)	329.08	0.46	329.54	-	329.54
Depreciation and amortisation expense		162.56	-	162.56	-	162.56
Other expenses	F - (b)	1,309.61	8.31	1,317.92	-	1,317.92
Total expenses		**17,864.11**	**34.63**	**17,898.74**	**-**	**17,898.74**
Profit before tax		**525.49**	**84.99**	**610.48**	**0.63**	**611.11**
Income tax expense						
-Current tax		212.80	-	212.80	-	212.80
-Deferred tax		(22.80)	29.41	6.61	0.23	6.84
Total tax expense		**190.00**	**29.41**	**219.41**	**0.23**	**219.64**
Profit for the year (A)		**335.49**	**55.58**	**391.07**	**0.40**	**391.47**
Other comprehensive income						
Items that will not be reclassified subsequently to the statement of profit or loss						
Remeasurements of the net defined benefit obligation	F - (g)	-	0.86	0.86	-	0.86
Income tax relating to these items		-	(0.30)	(0.30)	-	(0.30)
Other comprehensive income for the year (B)		-	**0.56**	**0.56**	-	**0.56**
Total comprehensive income for the year (A+B)		**335.49**	**56.14**	**391.63**	**0.40**	**392.03**

*Previous GAAP numbers have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Note 43: First-time adoption of Ind AS (continued)

Reconciliation of total comprehensive income for the year 2015-16 (Rs. in million)

Particulars	**Notes**	**Previous GAAP***	**Ind AS Adjustments**	**Ind AS**	**Restatement adjustments**	**Restated Ind AS**
Revenue from operations	F - (h)	15,323.34	-	15,323.34	(8.15)	15,315.19
Other income	F - (b,e)	39.57	5.38	44.95	-	44.95
Total income		**15,362.91**	**5.38**	**15,368.29**	**(8.15)**	**15,360.14**
Expenses						
Cost of materials consumed	F - (c)	14,906.33	3.25	14,909.58	-	14,909.58
Purchases of stock in trade		-	-	-	-	-
Changes in inventories of finished goods, stock in trade and work in progress	F - (c)	(1,688.35)	64.18	(1,624.17)	-	(1,624.17)
Excise duty	F - (h)	-	-	-	-	-
Employee benefit expense	F - (g)	194.74	1.89	196.63	-	196.63
Finance costs	F - (d, e)	286.15	0.49	286.64	-	286.64
Depreciation and amortisation expense		131.97	-	131.97	-	131.97
Other expenses	F - (b)	1,212.63	7.20	1,219.83	-	1,219.83
Total expenses		**15,043.47**	**77.01**	**15,120.48**	**-**	**15,120.48**
Profit before tax		**319.44**	**(71.63)**	**247.81**	**(8.15)**	**239.66**
Income tax expense						
-Current tax		121.26	-	121.26	-	121.26
-Deferred tax		(8.80)	(24.85)	(33.65)	(2.82)	(36.47)
Total tax expense		**112.46**	**(24.85)**	**87.61**	**(2.82)**	**84.79**
Profit for the year (A)		**206.98**	**(46.78)**	**160.20**	**(5.33)**	**154.87**
Other comprehensive income						
Items that will not be reclassified subsequently to the statement of profit or loss						
Remeasurements of the net defined benefit obligation	F - (g)	-	1.89	1.89	-	1.89
Income tax relating to these items		-	(0.68)	(0.68)	-	(0.68)
Changes in fair value of equity instruments designated at FVOCI	F - (a)		0.09	0.09	-	0.09
Other comprehensive income for the year (B)		-	**1.30**	**1.30**	**-**	**1.30**
Total comprehensive income for the year (A+B)		**206.98**	**(45.48)**	**161.50**	**(5.33)**	**156.17**

*Previous GAAP numbers have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Note 43: First-time adoption of Ind AS (continued)

Reconciliation of total comprehensive income for the year 2014-15 (Rs. in million)

Particulars	Notes	Previous GAAP*	Ind AS Adjustments	Ind AS	Restatement adjustments	Restated Ind AS
Revenue from operations	F - (h)	14,329.82	-	14,329.82	7.88	14,337.70
Other income	F - (b,e)	53.50	2.40	55.90	-	55.90
Total income		**14,383.32**	**2.40**	**14,385.72**	**7.88**	**14,393.60**
Expenses						
Cost of materials consumed	F - (c)	13,418.54	1.20	13,419.74	-	13,419.74
Purchases of stock in trade		-	-	-	-	-
Changes in inventories of finished goods, stock in trade and work in progress	F - (c)	(797.74)	7.76	(789.98)	-	(789.98)
Excise duty	F - (h)	-	-	-	-	-
Employee benefit expense	F - (g)	144.79	(1.55)	143.24	-	143.24
Finance costs	F - (d, e)	192.47	0.26	192.73	-	192.73
Depreciation and amortisation expense		65.08	-	65.08	-	65.08
Other expenses	F - (b)	807.00	3.18	810.18	10.60	820.78
Total expenses		**13,830.14**	**10.85**	**13,840.99**	**10.60**	**13,851.59**
Profit before tax		**553.18**	**(8.45)**	**544.73**	**(2.72)**	**542.01**
Income tax expense						
-Current tax		194.55	-	194.55	-	194.55
-Deferred tax		(8.18)	(2.86)	(11.04)	(0.93)	(11.97)
Total tax expense		**186.37**	**(2.86)**	**183.51**	**(0.93)**	**182.58**
Profit for the year (A)		**366.81**	**(5.59)**	**361.22**	**(1.79)**	**359.43**
Other comprehensive income						
Items that will not be reclassified subsequently to the statement of profit or loss						
Remeasurements of the net defined benefit obligation	F - (g)	-	(1.55)	(1.55)	-	(1.55)
Income tax relating to these items		-	0.54	0.54	-	0.54
Other comprehensive income for the year (B)		**-**	**(1.01)**	**(1.01)**	**-**	**(1.01)**
Total comprehensive income for the year (A+B)		**366.81**	**(6.60)**	**360.21**	**(1.79)**	**358.42**

*Previous GAAP numbers have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

Note 43: First-time adoption of Ind AS (continued)

Reconciliation of total comprehensive income for the year 2013-14 (Rs. in million)

Particulars	Notes	Previous GAAP*	Ind AS Adjustments	Ind AS	Restatement adjustments	Restated Ind AS
Revenue from operations	F - (h)	13,180.30	-	13,180.30	1.64	13,181.94
Other income	F - (b,e)	25.85	0.59	26.44	-	26.44
Total income		**13,206.15**	**0.59**	**13,206.74**	1.64	**13,208.38**
Expenses						
Cost of materials consumed	F - (c)	11,757.78	0.09	11,757.87	-	11,757.87
Purchases of stock in trade		413.90	-	413.90	-	413.90
Changes in inventories of finished goods, stock in trade and work in progress	F - (c)	(276.82)	0.81	(276.01)	-	(276.01)
Excise duty	F - (h)	-	-	-	-	-
Employee benefit expense	F - (g)	83.14	0.15	83.29	-	83.29
Finance costs	F - (d, e)	130.17	0.34	130.51	-	130.51
Depreciation and amortisation expense		29.32	-	29.32	-	29.32
Other expenses	F - (b)	553.57	0.33	553.90	2.07	555.97
Total expenses		**12,691.06**	**1.72**	**12,692.78**	**2.07**	**12,694.85**
Profit before tax		**515.09**	**(1.13)**	**513.96**	**(0.43)**	**513.53**
Income tax expense						
-Current tax		147.23	-	147.23	-	147.23
-Deferred tax		2.92	(0.38)	2.54	(0.15)	2.39
Total tax expense		**150.15**	**(0.38)**	**149.77**	**(0.15)**	**149.62**
Profit for the year (A)		**364.94**	**(0.75)**	**364.19**	**(0.28)**	**363.91**
Other comprehensive income						
Items that will not be reclassified subsequently to the statement of profit or loss						
Remeasurements of the net defined benefit obligation	F - (g)	-	0.15	0.15	-	0.15
Income tax relating to these items		-	(0.05)	(0.05)	-	(0.05)
Other comprehensive income for the year (B)		**-**	**0.10**	**0.10**	**-**	**0.10**
Total comprehensive income for the year (A+B)		**364.94**	**(0.65)**	**364.29**	**(0.28)**	**364.01**

*Previous GAAP numbers have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Note 43: First-time adoption of Ind AS

E. Adjustments to Statement of Cash flows

There were no significant reconciliation items between cash flows prepared under previous GAAP and those prepared under Ind AS.

F. Notes to the reconciliations of equity as at 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 and total comprehensive income for the year ended 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014

(a) Investments:

In accordance with Ind AS, financial assets representing investment in equity shares of entities other than subsidiaries have been fair valued. The Company has designated equity investments as at fair value through other comprehensive income as permitted by Ind AS 109. Under the previous GAAP, the application of the relevant accounting standard resulted in these investments being carried at cost.

The impact arising from the change is summarised as follows: (Rs. in million)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2014
Statement of Profit and Loss				
OCI :				
Equity instruments through other comprehensive income - net change in fair value	-	0.09	-	-
Adjustment before income tax	**-**	**0.09**	**-**	**-**

(Rs. in million)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Balance sheet				
Investments - Equity instruments carried at fair value through other comprehensive income (FVOCI)	0.09	0.09	-	-
Adjustment to retained earnings	**0.09**	**0.09**	**-**	**-**

(b) Loans (amortisation of financial assets)

Unlike in previous GAAP, Ind AS requires the financial asset to be measured at amortised costs if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Pursuant to the above, security deposits given have been measured at amortised cost. The impact arising from the change is summarised as follows:

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

(Rs. in million)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2014
Statement of Profit and Loss				
Other Income - unwinding of discount on security deposits and others	(5.79)	(4.89)	(1.97)	(0.27)
Other Income - Gain on derecognition security deposits and others	(0.23)	-	-	-
Other Expenses - Rent	8.31	7.19	3.18	0.34
Adjustment before income tax	2.29	2.30	1.21	0.07

(Rs. in million)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Balance sheet				
Loans - Security and other deposits	(73.09)	(68.00)	(52.24)	(5.82)
Other non-current assets - prepaid rent	58.45	56.39	43.47	2.28
Other current assets - other receivable	8.50	7.74	7.18	3.19
Adjustment to retained earnings	(6.14)	(3.87)	(1.59)	(0.35)

(c) Derivatives

(Rs. in million)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2014
Statement of Profit and Loss				
Cost of materials consumed	(5.38)	3.26	1.19	0.08
Changes in inventories of finished goods and stock-in-trade	(82.74)	64.18	7.77	0.81
Adjustment before income tax	**(88.12)**	**67.44**	**8.96**	**0.89**

(Rs. in million)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Balance sheet				
Inventories	11.50	(76.63)	(9.19)	(0.22)
Borrowings	(7.95)	198.50	11.60	0.75
Derivatives	7.95	(198.50)	(11.60)	(0.75)
Adjustment to retained earnings	11.50	(76.63)	(9.19)	(0.22)

(d) Borrowings at amortised cost

Based on Ind AS 109, financial liabilities in the form of borrowings have been accounted at amortised cost using the effective interest rate method.

The impact arising from the change is summarised as follows: (Rs. in million)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2014
Statement of Profit and Loss				
Finance costs	0.05	0.06	(0.11)	0.08
Adjustment before income tax	0.05	0.06	(0.11)	0.08

(Rs. in million)

Particulars	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**
Balance sheet				
Borrowings at amortised cost	0.07	0.28	0.34	0.21
Other financial liabilities - Current maturities of long-term debts	0.21	0.05	0.07	0.08
Adjustment to retained earnings	0.28	0.33	0.41	0.29

(e) Financial liabilities (amortisation of financial liabilities)

Unlike in previous GAAP, Ind AS requires the financial liabilities to be measured at amortised costs if the financial liabilities is held within a business model whose objective is to hold financial liabilities in order to pay contractual cash flows and the contractual terms of the financial liabilities give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Pursuant to the above, security deposits taken has been measured at amortised cost. The impact arising from the change is summarised as follows:

(Rs. in million)

Particulars	**Year ended 31 March 2017**	**Year ended 31 March 2016**	**Year ended 31 March 2015**	**Year ended 31 March 2014**
Statement of Profit and Loss				
Other income - on discounting of financial liabilities/provision	(0.48)	(0.49)	(0.43)	(0.32)
Finance costs	0.41	0.43	0.37	0.26
Adjustment before income tax	(0.07)	(0.06)	(0.06)	(0.06)

(Rs. in million)

Particulars	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**
Balance sheet				
Non-current - Other financial liabilities	2.63	3.03	2.71	2.42
Other non current liabilities- Deferred liability	(1.73)	(2.19)	(1.90)	(1.74)
Other current liabilities- Deferred liability	(0.47)	(0.46)	(0.48)	(0.44)
Adjustment to retained earnings	0.43	0.38	0.33	0.24

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

(f) Provisions (proposed dividend)

Under previous GAAP, dividends proposed by the Board of Directors after the reporting date but before the approval of financial statements were considered to be adjusting event and accordingly recognised (along with related dividend distribution tax) as liabilities at the reporting date. Under Ind AS, dividends so proposed by the board are considered to be non-adjusting event. Accordingly, provision for proposed dividend and dividend distribution tax recognised under previous GAAP has been reversed. The impact arising from the change is summarised as follows:

(Rs. in million)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Balance sheet				
Provisions - proposed dividend including dividend distribution tax	-	13.34	26.68	-
Adjustment to retained earnings	-	13.34	26.68	-

(g) Actuarial gain and loss

Under Ind AS, all actuarial gains and losses are recognised in other comprehensive income. Under previous GAAP the Company recognised actuarial gains and losses in profit or loss. However, this has no impact on the total comprehensive income and total equity as on 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014.

(h) Excise duty

Under previous GAAP, revenue from sale of goods was presented net of the excise duty on sales. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. Excise duty is presented in the Statement of Profit and Loss as an expense. This has resulted in an increase in the revenue from operations and expenses for the year ended 31 March 2017. The total comprehensive income for the year ended and equity as at 31 March 2017 has remained unchanged.

The impact arising from the change is summarised as follows: (Rs. in million)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2014
Statement of Profit and Loss				
Revenue from operations	(113.12)	-	-	-
Excise duty	113.12	-	-	-
Adjustment before income tax	-	-	-	-

Note 43: First-time adoption of Ind AS (continued)

(i): Reconciliation of statement of Equity as previously reported under IGAAP and Ind AS

(Rs. in million)

Particulars	Notes	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Total equity as per Indian GAAP		**3,254.35**	**2,972.22**	**2,781.04**	**1,641.13**
Investments - Equity instruments carried at (FVOCI)	F - (a)	0.09	0.09	-	-
Loans (amortisation of financial assets)	F - (b)	(6.14)	(3.87)	(1.59)	(0.35)
Derivative	F - (c)	11.50	(76.63)	(9.19)	(0.22)
Borrowings at amortised cost	F - (d)	0.28	0.33	0.41	0.29
Financial liabilities (amortisation of financial liabilities)	F - (e)	0.43	0.38	0.33	0.24
Provisions (proposed dividend)	F - (f)	-	13.34	26.68	-
Tax impact on account of above		(2.13)	27.59	3.41	0.02
Total equity as per Ind AS		**3,258.38**	**2,933.45**	**2,801.09**	**1,641.11**

(j): Reconciliation of Statement of Profit and Loss as previously reported under IGAAP and Ind AS

(Rs. in million)

Particulars	Notes	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Net Profit after tax as per IGAAP		**335.49**	**206.98**	**366.81**	**364.94**
Changes in fair value of equity instruments designated at FVOCI	F - (a)	-	0.09	-	-
Other Income - unwinding of discount on security deposits and others	F - (b)	5.79	4.89	1.97	0.27
Other Income - Gain on derecognition security deposits and others	F - (b)	0.23	-	-	-
Other Income - on discounting of financial liabilities/provision	F - (e)	0.48	0.49	0.43	0.32
Finance costs	F - (d, e)	(0.46)	(0.49)	(0.26)	(0.34)
Other expenses	F - (b)	(8.31)	(7.19)	(3.18)	(0.34)
Cost of materials consumed	F - (c)	5.38	(3.26)	(1.19)	(0.08)
Changes in inventories of finished goods and stock-in-trade	F - (c)	82.74	(64.18)	(7.77)	(0.81)
Taxes on above		(29.71)	24.17	3.40	0.33
Net Profit after tax as per Ind AS		**391.63**	**161.50**	**360.21**	**364.29**

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership No.: 055757

Place : Kolkata
Date : 06 August 2018

For and on behalf of the Board of Directors of
Senco Gold Limited
CIN: U36911WB1994PLC064637

Sankar Sen
Managing Director
DIN: 01178744

Suvankar Sen
Executive Director
DIN: 01178803

Vikram Nagpal
Chief Financial Officer

Surendra Gupta
Company Secretary

Place : Kolkata
Date : 06 August 2018

Place : Kolkata
Date : 06 August 2018

Annexure VIII: Restated Standalone Statement of Other Income

(Rs. in million)

Particulars	Nature (Recurring/ Non-recurring)	For the Year ended				
		31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Interest income under the effective interest method on:						
- interest on fixed deposits with banks	Recurring	42.62	38.14	33.21	39.80	21.62
- interest income from others	Recurring	8.94	8.09	0.30	5.41	1.18
- discounting of financial liabilities/provision	Recurring	0.47	0.47	0.50	0.43	0.33
- unwinding of discount on financial assets	Recurring	6.95	5.79	4.89	1.97	0.27
Gain derecognition of financial assets	Non - Recurring	-	0.23	-	-	-
Income from commodity trading	Non - Recurring	45.89	26.59	-	-	-
Net profit on sale of property. plant and equipments (net)	Non - Recurring	-	0.91	-	-	-
Other non operating Income	Recurring	3.97	6.21	6.05	8.29	3.04
Total Other Income		**108.84**	**86.43**	**44.95**	**55.90**	**26.44**

Annexure IX - Restated Standalone Statement of Dividend Paid*

(All amounts in Rs. million, except per share data)

Particulars	For the year ended				
	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Class of shares					
Face value (Rs.)	10	10	10	10	10
Number of equity shares (in million)	17.73	17.73	17.73	17.73	17.73
Number of 0.01% compulsorily convertible non-cumulative preference shares	4.43	4.43	4.43	4.43	-
Total number of shares	**22.16**	**22.16**	**22.16**	**22.16**	**17.73**
Share capital	221.61	221.61	221.61	221.61	177.29
Dividend on equity shares (final dividend)					
Rate of dividend %	-	5.00%	10.00%	-	-
Dividend per share (Rs.)	-	0.50	1.00	-	-
Amount of dividend paid	-	8.86	17.73	-	-
Dividend distribution tax on above	-	1.81	3.61	-	-
Dividend on 0.01% compulsorily convertible non-cumulative preference shares (final dividend)					
Rate of dividend %	-	5.01%	10.01%	-	-
Dividend per share (Rs.)	-	0.50	1.00	-	-
Amount of dividend paid	-	2.22	4.44	-	-
Dividend distribution tax on above	-	0.45	0.90	-	-
Dividend on equity shares (interim dividend)					
Rate of dividend %	-	20.00%	-	-	25.00%
Dividend per share (Rs.)	-	2.00	-	-	2.50
Amount of dividend paid	-	35.46	-	-	44.32
Dividend distribution tax on above	-	7.21	-	-	7.53
Dividend on 0.01% compulsorily convertible non-cumulative preference shares (interim dividend)					
Rate of dividend %	-	20.01%	-	-	-
Dividend per share (Rs.)	-	2.00	-	-	-
Amount of dividend paid	-	8.87	-	-	-
Dividend distribution tax on above	-	1.81	-	-	-

* Refers to dividend actually paid during the year.

Annexure X - Restated Standalone Statement of Capitalisation

(Rs. in million)

Particulars	Pre-issue as at 31 March 2018	Post-issue [refer note (ii)]
Debt:		
Long term borrowings	4.22	
Short term borrowings	5,808.10	
Current portion of Secured long term borrowings, included in other financial liabilities	25.62	
Total Debt (A)	**5,837.94**	
Shareholders Funds:		
Equity share capital	177.29	
Instruments entirely equity in nature	44.32	
Other equity	3,761.05	
Total Shareholders Funds (B)	**3,982.66**	
Total Debt/Shareholder fund (A/B)	**1.47:1**	

Notes

(i) The above has been computed on the basis of the Restated Standalone Financial Statement - Annexure I and Annexure II.

(ii)The corresponding Post IPO capitalisation data in the above table is not determinable at this stage pending the completion of the Book Building Process and hence the same has not been provided in the above statement.

Annexure XI - Restated Standalone Statement of Accounting Ratios

(All amounts in Rs. million, except per share data)

Particulars	Reference	For the year ended 31 March				
		2018	2017	2016	2015	2014
Net worth as at the year end (refer note 2 below)	**A**	**3,982.66**	**3,253.70**	**2,928.36**	**2,801.33**	**1,643.14**
Restated net profit after tax for the year	**B**	**728.06**	**391.47**	**154.87**	**359.43**	**363.91**
Less: preference dividend		-	11.09	4.44	-	-
Less: tax on Preference dividend		-	2.26	0.90	-	-
Net profit attributable to equity shareholders for calculation of Basic EPS	**C.1**	**728.06**	**378.12**	**149.53**	**359.43**	**363.91**
Add: preference dividend and taxes thereon		-	13.35	5.34	-	-
Net profit adjusted for the effects of diluted potential equity shares for calculation of Diluted EPS	**C.2**	**728.06**	**391.47**	**154.87**	**359.43**	**363.91**
Weighted average number of Equity Shares outstanding during the period (refer note 4 below)						
For basic earnings per share (in million)	**D**	53.19	53.19	53.19	53.19	53.19
For diluted earnings per share (in million)	**E**	66.48	66.48	66.48	59.56	53.19
Earnings per share Rs. 10 each (refer note 3, 4 and 5 below)						
Basic (Rs.)	**F = C.1/D**	**13.69**	**7.11**	**2.81**	**6.76**	**6.84**
Diluted (Rs.)	**G = C.2/E**	**10.95**	**5.89**	**2.33**	**6.03**	**6.84**
Return on net worth (%)	**H = B/A**	**18.28%**	**12.03%**	**5.29%**	**12.83%**	**22.15%**
Weighted average number of shares outstanding during the year (in million)	**I**	53.19	53.19	53.19	53.19	53.19
Net assets value per share of Rs. 10 each (refer note 3, 4 and 5 below) (Rs.)	**J = A/I**	**74.88**	**61.18**	**55.06**	**52.67**	**30.89**
Face value (Rs.)		**10**	**10**	**10**	**10**	**10**

Notes:

1. Earnings per shares (EPS) calculation is in accordance with Indian Accounting Standard (Ind AS) 33 "Earnings per share" prescribed by the The Companies (Indian Accounting Standards) Rules, 2015.

2. Net worth for ratios is = Equity share capital + other equity (including Securities premium, General reserve, Special economic re-investment reserve and Retained earnings).

3. The above ratios have been computed on the basis of the Restated Statements- Annexure I and Annexure II.

4. The Earnings per share and net assets value per share have been adjusted with bonus issue, refer note 32 of Annexure VII.

5. As per Ind AS 33 - Earnings Per Share, if the number of ordinary or potential ordinary shares outstanding increases as a result of bonus issue, the calculation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively. If these changes occur after the reporting period but before the financial statements are approved for issue, the per share calculations for those and any prior period financial statements presented shall be based on the new number of shares.

Annexure XII - Restated Standalone Statement of Tax Shelter

(Rs. in million)

Income tax recognised in restated standalone summary statement of profit and loss		For the year ended				
		31 March 2018	**31 March 2017**	**31 March 2016**	**31 March 2015**	**31 March 2014**
A.	**Income tax expense**					
	-Current tax	**405.60**	**212.80**	**121.26**	**194.55**	**147.23**
	Income tax expense for the year reconciled to the accounting profit:					
B.	**Profit before tax**	**1,127.50**	**611.11**	**239.66**	**542.01**	**513.53**
C.	**Company's domestic tax rate**	**34.608%**	**34.608%**	**34.608%**	**33.990%**	**33.990%**
D.	**Income tax using Company's domestic tax rate**	**390.21**	**211.49**	**82.94**	**184.23**	**174.55**
E	**Tax effect of permanent difference due to:**					
	Tax holiday incentive	(0.39)	(5.12)	(7.74)	(4.72)	(25.12)
	Corporate social responsibility expenses	3.20	7.28	-	-	-
	Interest on income tax	6.85	6.17	-	2.37	-
	Others	(0.43)	(0.18)	9.59	0.70	0.19
	Total tax impact of permanent differences	**9.23**	**8.15**	**1.85**	**(1.65)**	**(24.93)**
F.	**Tax effect of temporary difference due to:**					
	Property, plant and equipment	(30.71)	11.82	5.48	3.03	(3.45)
	Provision for gratuity	3.55	2.50	2.89	1.81	0.37
	Provision for leave	9.27	1.86	-	-	-
	Provision for lease equalisation	8.12	6.92	10.72	2.81	1.32
	Others	15.93	(29.94)	17.38	4.32	(0.63)
	Total tax effect of temporary difference	**6.16**	**(6.84)**	**36.47**	**11.97**	**(2.39)**
G.	**Tax liability**	**405.60**	**212.80**	**121.26**	**194.55**	**147.23**

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Senco Gold Limited
Diamond Prestige,
10th floor,
41A, A.J.C Bose Road,
Kolkata - 700017

6 August 2018

Dear Sirs

1. We have examined the attached Restated Consolidated Financial Information of Senco Gold Limited, ('the Company') and its subsidiary company (collectively, 'the Group') which comprise of Restated Consolidated Summary Statement of Assets and Liabilities as at 31 March 2015 and 31 March 2014, the Restated Consolidated Summary Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Summary Statement of Changes in Equity and the Restated Consolidated Summary Statement of Cash Flows for each of the years ended 31 March 2015 and 31 March 2014 and the Summary of Significant Accounting Policies, read together with the annexures and notes thereto and other restated financial information explained in paragraph 7 (collectively, the Restated Consolidated Financial Information"), for the purpose of inclusion in the Draft Red Herring Prospectus ('DRHP') prepared by the Company in connection with its proposed initial public offer of Equity shares ('Offer'). The Restated Consolidated Financial Information has been approved by the IPO Committee of the Board of Directors of the Company and is prepared in terms of the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ('the Act');

   b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time in pursuance of provision of Securities and Exchange Board of India Act, 1992 read with Circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 issued by SEBI ('the SEBI ICDR Regulations'); and

   c) the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India ('ICAI') ('the Guidance Note').

2. The preparation of the Restated Consolidated Financial Information is the responsibility of the management of the Company for the purpose set out in paragraph 11 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The management is also responsible for identifying and ensuring that the Company complies with the Act, the SEBI ICDR Regulations and the Guidance Note.

3. We have examined such Restated Consolidated Financial Information taking into consideration:

   a) the terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 7 May 2018 in connection with the proposed Offer;

   b) the provision of SEBI ICDR Regulations and the Act; and

   c) the Guidance Note.

4. These Restated Consolidated Financial Information have been compiled by the management as follows:

   a) As at and for the years ended 31 March 2015 and 31 March 2014:

   (i) from the audited consolidated financial statements of the Group as at and for the year ended 31 March 2015 (which were expressed in Indian Rupees in lakh), prepared in accordance with Accounting standards prescribed under Section 133 of the Act, read with Rule 7 of the

Companies (Accounts) Rules 2014, and the other relevant provisions of the Act which had been approved by the Board of Directors at their Board meeting held on 21 August 2015; and

(ii) from the audited special purpose consolidated financial statements of the Group as at and for the year ended 31 March 2014 (which were expressed in Indian Rupees in lakh), prepared in accordance with Accounting standards prescribed under Section 211 (3C) of the Companies Act, 1956 read with the Companies Accounting Standard Rules (2006) and which has been approved by the IPO Committee of the Board of Directors of the Company held on 6 August 2018.

These audited consolidated financial statements of the Group as at and for each of the years ended 31 March 2015 and 31 March 2014 have been converted into Ind AS to align accounting policies, exemptions and disclosures as adopted for the preparations of the first Ind AS financial statements for the year ended 31 March 2018. These Restated Consolidated Financial Information as at and for each of the years ended 31 March 2015 and 31 March 2014 is referred to as "the Proforma Ind AS Restated Consolidated Financial Information".

5. We did not audit the financial statements of Addyashakti Properties Private Limited, the subsidiary company, for the financial years ended 31 March 2015 and 31 March 2014. These financial statements have been audited by S. Khaitan & Co. and examined by S. Roy & Associates, and whose reports have been furnished to us and our opinion on the consolidated financial statements as at and for each of the years ended 31 March 2015 and 31 March 2014 in so far as it relates to the amounts included in these Restated Consolidated Financial Information are based solely on the report of the other auditors. The Group's share of total assets, total revenue and net cash flows pertaining to this subsidiary in the Restated Consolidated Financial Information for the relevant years not audited by us is tabulated below:

Name of subsidiary Company	Year Ended	Total assets as included in Restated Consolidated Financial Information	Net movement in cash and cash equivalents (net cash flows) as included in Restated Consolidated Financial Information	Total revenue as included in Restated Consolidated Financial Information
Addyashakti Properties Private Limited	31 March 2015	Rs. 259.81 million	Rs. 1.60 million	Rs. 11.22 million
Addyashakti Properties Private Limited	31 March 2014	Rs. 253.08 million	Rs. (1.91) million	Rs. 10.23 million

6. Based on our examination and in accordance with the requirements of Section 26 of Part I of Chapter III of the Act, the SEBI ICDR Regulations, the Guidance Note and terms of our engagement agreed with you, we report that:

a) The Restated Consolidated Summary Statement of Assets and Liabilities of the Group as at 31 March 2015 and 31 March 2014, examined by us, as set out in Annexure I to this report read with the Basis of Preparation and Significant Accounting Policies in Annexure V have been arrived at after making such adjustments and regrouping/reclassification as in our opinion were appropriate and are more fully described in the Restated Consolidated Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure VI of the Restated Consolidated Financial Information;

b) The Restated Consolidated Summary Statement of Profit and Loss (including Other Comprehensive Income) of the Group for each of the years ended 31 March 2015 and 31 March 2014 as set out in Annexure II to this report read with the Basis of Preparation and Significant Accounting Policies in Annexure V have been arrived at after making such adjustments and regrouping/reclassification as in our opinion were appropriate and are more fully described in the Restated Consolidated Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure VI of the Restated Consolidated Financial Information;

c) The Restated Consolidated Summary Statement of Changes in Equity of the Group for each of the years ended 31 March 2015 and 31 March 2014 as set out in Annexure III to this report read with the Basis of Preparation and Significant Accounting Policies in Annexure V have been arrived at after making such adjustments and regrouping/reclassification as in our opinion were appropriate and are more fully described in the Restated Consolidated Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure VI of the Restated Consolidated Financial Information;

d) The Restated Consolidated Summary Statement of Cash Flows of the Group for each of the years ended 31 March 2015 and 31 March 2014 as set out in Annexure IV to this report read with the Basis of Preparation and Significant Accounting Policies in Annexure V have been arrived at after making such adjustments and regrouping/reclassification as in our opinion were appropriate and are more fully described in the Restated Consolidated Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure VI of the Restated Consolidated Financial Information;

e) For our examination of the Restated Consolidated Financial Information, we have relied on the financial statements of the Company's subsidiary company listed in paragraph 5 above, which were audited by the respective auditors, and whose audit reports have been furnished to us and our opinion in so far as it relates to the amounts included in the Restated Consolidated Summary Statement of Assets and Liabilities, the Restated Consolidated Summary Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Summary Statement of Changes in Equity and the Restated Consolidated Summary Statement of Cash Flows, are based solely on the audit reports of such auditors; and

f) Based on the above and according to the information and explanations given to us and reliance placed on the reports of other auditors for the respective years as mentioned in paragraph 5, we further report that:

   i. there has been no change in the accounting policies which will require any adjustments in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting years;

   ii. the Restated Consolidated Financial Information have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate;

   iii. the Restated Consolidated Financial Information do not contain any exceptional/extraordinary items that need to be disclosed separately other than those presented in the Restated Consolidated Financial Information in the respective financial years and do not contain any qualifications requiring adjustments; and

   iv. there are no qualifications in the Auditors' Report which require any adjustments in the Restated Consolidated Financial Information. Also, there are no remarks /comments in the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of subsection (11) of Section 143 of the Act (together referred to as 'CARO') for the year ended 31 March 2015, which require any corrective adjustments in the Restated Consolidated Financial Information.

7. We have also examined the following Restated Consolidated Financial Information as set out in the Annexures prepared by the management of the Company and approved by the IPO Committee of the Board of Directors of the Company, for each of the years ended 31 March 2015 and 31 March 2014;

   a) Basis of preparation and Significant Accounting Policies as enclosed in Annexure V
   b) Restated Consolidated Statement on Adjustments to Audited Consolidated financial Statements as enclosed in Annexure VI;
   c) Notes to Restated Consolidated Financial Information as enclosed in Annexure VII;
   d) Restated Consolidated Statement of Other Income, as enclosed in Annexure VIII;
   e) Restated Consolidated Statement of Dividend Paid, as enclosed in Annexure IX;
   f) Restated Consolidated Statement of Capitalisation, as enclosed in Annexure X;
   g) Restated Consolidated Statement of Accounting Ratios, as enclosed in Annexure XI; and
   h) Restated Consolidated Statement of Tax Shelter, as enclosed in Annexure XII

8. In our opinion and to the best of our information and according to the explanations given to us, the Proforma Ind AS Restated Consolidated Financial Information of the Group as at and for the years ended 31 March 2015 and 31 March 2014, including the above mentioned Other Restated Consolidated Financial Information contained in Annexures VI to XII, read with the Basis of preparation and Significant Accounting Policies disclosed in Annexure V, as prepared, after making proforma adjustments and regroupings/reclassification as considered appropriate and as disclosed in Annexure VI, have been prepared in accordance with Section 26 of Part I of Chapter III of the Act, the SEBI ICDR Regulations and the Guidance Note.

9. This report should not, in any way, be construed as a reissuance or re-dating of any of the previous audit reports issued by us or by other firms of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. Our report is intended solely for use of the management and for inclusion in the DRHP to be filed with Securities and Exchange Board of India, Stock Exchanges where the equity shares are proposed to be listed and the relevant Registrar of Companies in India in connection with the proposed Offer. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership Number: 055757

Place: Kolkata
Date: 6 August 2018

Senco Gold Limited

Annexure I

Restated Consolidated Summary Statement of Assets and Liabilities

(Rs. in million)

	Note No. to Annexure VII	As at 31 March	
		2015 Proforma	**2014 Proforma**
ASSETS			
Non-current assets			
Property, plant and equipment	1	432.54	380.33
Capital work-in-progress	1	129.57	19.09
Investment property	2	229.92	229.92
Intangible assets	3	8.03	8.25
Financial assets			
(i) Investments	4	0.10	0.10
(ii) Loans	5	57.05	6.81
(iii) Other financial assets	6	125.85	33.15
Deferred tax assets (net)	7	13.70	-
Non-current tax assets (net)	8	38.77	37.65
Other non-current assets	9	73.98	20.87
Total non-current assets		**1,109.51**	**736.17**
Current assets			
Inventories	10	3,577.37	2,645.12
Financial assets			
(i) Trade receivables	11	436.87	523.49
(ii) Cash and cash equivalents	12	132.56	498.38
(iii) Bank balances other than (ii) above	13	243.58	170.16
(iv) Loans	5	9.20	11.76
(v) Other financial assets	6	19.79	8.73
Other current assets	9	36.28	23.66
Total current assets		**4,455.65**	**3,881.30**
Total assets		**5,565.16**	**4,617.47**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	177.29	177.29
Instruments entirely equity in nature	14	44.32	-
Other equity	15	2,577.35	1,465.29
Total equity		**2,798.96**	**1,642.58**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	16	150.47	194.16
(ii) Other financial liabilities	17	4.80	3.99
Provisions	18	13.12	6.31
Deferred tax liabilities (net)	7	-	7.08
Other Non current liabilities	19	1.90	1.74
Total non-current liabilities		**170.29**	**213.28**
Current liabilities			
Financial liabilities			
(i) Borrowings	16	1,927.85	1,880.15

(ii) Trade payables	20	121.33	64.64
(iii) Derivatives	21	11.60	0.75
(iv) Other financial liabilities	17	59.17	51.15
Other current liabilities	19	464.76	763.48
Provisions	18	0.21	0.13
Current tax liabilities (net)	22	10.99	1.31
Total current liabilities		**2,595.91**	**2,761.61**
Total liabilities		**2,766.20**	**2,974.89**
Total equity and liabilities		**5,565.16**	**4,617.47**

Note: The above summary statement should be read with the Basis of preparation and Summary of Significant Accounting Policies appearing in Annexure V, Restated Consolidated Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure VI and Notes (referred above) to Restated Consolidated Financial Information appearing in Annexure VII.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number:101248W/W-100022

For and on behalf of the Board of Directors of
Senco Gold Limited

CIN: U36911WB1994PLC064637

Jayanta Mukhopadhyay
Partner
Membership No.: 055757

Sankar Sen
Managing Director
DIN: 01178744

Suvankar Sen
Executive Director
DIN: 01178803

Vikram Nagpal
Chief Financial Officer

Surendra Gupta
Company Secretary

Place : Kolkata
Date : 06 August 2018

Place : Kolkata
Date : 06 August 2018

Place : Kolkata
Date : 06 August 2018

Senco Gold Limited

Annexure II

Restated Consolidated Summary Statement of Profit and Loss (Rs. in million)

	Note No. to Annexure VII	For the year ended 31 March 2015 Proforma	2014 Proforma
Revenue from operations	23	14,337.70	13,181.97
Other income	24	55.90	26.44
Total income		**14,393.60**	**13,208.41**
Expenses			
Cost of materials consumed	25	13,419.74	11,757.87
Purchases of stock-in-trade	26	-	413.90
Changes in inventories of finished goods, stock-in-trade and work in progress	27	(789.98)	(276.01)
Employee benefit expense	28	143.24	83.29
Finance costs	29	208.14	139.79
Depreciation and amortisation expense	1 and 3	65.08	29.32
Other expenses	30	815.34	548.06
Total expenses		**13,861.56**	**12,696.22**
Profit before exceptional items and tax		**532.04**	**512.19**
Exceptional items	31	**-**	**-**
Profit before tax		**532.04**	**512.19**
Tax expense			
-Current tax	7	194.55	147.23
-Deferred tax	7	(20.13)	1.25
Total tax expense		**174.42**	**148.48**
Profit for the year (A)		**357.62**	**363.71**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit liability / (asset)		(1.55)	0.15
Changes in fair value of equity instruments designated at FVOCI		-	-
Income tax relating to these items that will not be reclassified subsequently to profit or loss	7	0.54	(0.05)
Other comprehensive income for the year, net of income tax (B)		**(1.01)**	**0.10**
Total comprehensive income for the year (A+B)		**356.61**	**363.81**
Earnings per share (nominal value of Rs. 10 each)			
Basic [in Rs.]	31	**6.72**	**6.84**

Diluted [in Rs.]	31	**6.00**	**6.84**

Note: The above summary statement should be read with the Basis of preparation and Summary of Significant Accounting Policies appearing in Annexure V, Restated Consolidated Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure VI and Notes (referred above) to Restated Consolidated Financial Information appearing in Annexure VII.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number:
101248W/W-100022

For and on behalf of the Board of Directors of
Senco Gold Limited

CIN: U36911WB1994PLC064637

Jayanta Mukhopadhyay
Partner
Membership No.: 055757

Sankar Sen
Managing Director
DIN: 01178744

Suvankar Sen
Executive Director
DIN: 01178803

Vikram Nagpal
Chief Financial Officer

Surendra Gupta
Company Secretary

Place : Kolkata
Date : 06 August 2018

Place : Kolkata
Date : 06 August 2018

Place : Kolkata
Date : 06 August 2018

Annexure III

Restated Consolidated Summary Statement of Changes in Equity (Rs. in million)

Particulars	Equity share capital	Instruments entirely equity in nature	Other equity - Reserves and surplus			Items of OCI	Total equity attributable to equity holders of the Company
			Securities premium	General reserve	Retained earnings	Equity Instruments through OCI	
Balance at 1 April 2013 Proforma (A)	**177.29**	**-**	**1.88**	**117.37**	**1,034.08**	**-**	**1,330.62**
Profit for the year	-	-	-	-	363.71	-	363.71
Other comprehensive income (net of tax)	-	-	-	-	0.10	-	0.10
Appropriations						-	-
Interim dividend on equity shares [Rs 2.50 per share]	-	-	-	-	(44.32)	-	(44.32)
Tax on interim dividend on equity shares	-	-	-	-	(7.53)	-	(7.53)
Transfer to general reserve	-	-	-	36.49	(36.49)	-	-
Total comprehensive income for the year (B)	**-**	**-**	**-**	**36.49**	**275.47**	**-**	**311.96**
Balance as at 31 March 2014 Proforma (A+B)	**177.29**	**-**	**1.88**	**153.86**	**1,309.55**	**-**	**1,642.58**

Particulars	Equity share capital	Instruments entirely equity in nature	Other equity - Reserves and surplus			Items of OCI	Total equity attributable to equity holders of the Company
			Securities premium	General reserve	Retained earnings	Equity Instruments through OCI	
Balance at 1 April 2014 Proforma (A)	**177.29**	**-**	**1.88**	**153.86**	**1,309.55**	**-**	**1,642.58**
Issue of shares	0.00	44.32	-	-	-	-	44.32
Premium received on issue of shares	-	-	755.68	-	-	-	755.68
Profit for the year	-	-	-	-	357.62	-	357.62
Other comprehensive income (net of tax)	-	-	-	-	(1.01)	-	(1.01)
Depreciation adjustment (refer note 1 to Annexure VII)	-	-	-	(0.23)	-	-	(0.23)
Total comprehensive income for the year (B)	**0.00**	**44.32**	**755.68**	**(0.23)**	**356.61**	**-**	**1,156.38**
Balance as at 31 March 2015 Proforma (A+B)	**177.29**	**44.32**	**757.56**	**153.63**	**1,666.16**	**-**	**2,798.96**

Note: The above summary statement should be read with the Basis of preparation and Summary of Significant Accounting Policies appearing in Annexure V, Restated Consolidated Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure VI and Notes (referred above) to Restated Consolidated Financial Information appearing in Annexure VII.

As per our report of even date attached

For **B S R & Co. LLP** *Chartered Accountants* Firm Registration Number: 101248W/W-100022	For and on behalf of the Board of Directors of **Senco Gold Limited** CIN: U36911WB1994PLC064637	
Jayanta Mukhopadhyay *Partner* Membership No.: 055757	**Sankar Sen** *Managing Director* DIN: 01178744	**Suvankar Sen** *Executive Director* DIN: 01178803
	Vikram Nagpal *Chief Financial Officer*	**Surendra Gupta** *Company Secretary*
Place : Kolkata Date : 06 August 2018	Place : Kolkata Date : 06 August 2018	Place : Kolkata Date : 06 August 2018

Senco Gold Limited

Annexure IV
Restated Consolidated Summary Statement of Cash Flows

(Rs. in million)

		For the year ended 31 March	
		2015 Proforma	**2014 Proforma**
A	**Cash flows from operating activities**		
	Restated Profit before tax	**532.04**	**512.19**
	Adjustments for		
	Depreciation and amortisation	65.08	29.32
	Liability no longer required written back	(7.88)	(1.89)
	Finance costs	208.14	139.79
	Interest income	(45.20)	(22.80)
	Operating cash flow before working capital changes	**752.18**	**656.61**
	(Increase) in inventories	(932.25)	(331.79)
	Decrease in trade receivables	86.62	24.40
	(Increase) in loans and advances & other assets	(103.20)	(29.72)
	(Decrease) / increase in other liabilities and provisions	(283.87)	144.96
	Increase / (decrease) in trade payables	56.71	(235.97)
	Cash generated from operations	**(423.81)**	**228.49**
	Less: Income taxes paid	185.99	295.82
	Net cash used by operating activities	**(609.80)**	**(67.33)**
B	**Cash flows from investing activities**		
	Purchase of property, plant and equipment, intangible assets, capital work-in-progress and capital advances	(240.17)	(81.90)
	Interest received	38.92	50.39
	Fixed deposit matured / placed with banks (with maturity more than three months)	(166.13)	(91.36)
	Net cash used by investing activities	**(367.38)**	**(122.87)**
C	**Cash flows from financing activities**		
	Proceeds from issue of share	44.32	-
	Premium received on issue of shares	755.68	-
	Dividends paid	-	(44.32)
	Dividend distribution tax paid	-	(7.53)
	Proceeds from others borrowings (net)	17.02	626.28
	Interest paid	(205.66)	(140.64)
	Net cash provided by financing activities	**611.36**	**433.79**
	Net (decrease) / increase in cash and cash equivalents (A+B+C)	**(365.82)**	**243.59**
	Cash and cash equivalents at the beginning of the year	**498.38**	**254.79**
	Cash and cash equivalents at the end of the year [refer note 12 to Annexure VII]	**132.56**	**498.38**

Note:

(a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind-AS 7 'Statement of Cash Flows'.

(b) Previous years figures have been regrouped/reclassified to conform to Ind AS presentation requirements.

(c) Reconciliation of liabilities from financing activities

Borrowings	For the year ended 31 March	
	2015 Proforma	**2014 Proforma**
Balance at the beginning of the year	2,116.02	1,487.93
Cash flows (net)	17.02	626.28
Non-cash changes	(11.19)	1.81
Balance at the end of the year	**2,121.85**	**2,116.02**

Note: The above summary statement should be read with the Basis of preparation and Summary of Significant Accounting Policies appearing in Annexure V, Restated Consolidated Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure VI and Notes (referred above) to Restated Consolidated Financial Information appearing in Annexure VII.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership No.: 055757

Place : Kolkata
Date : 06 August 2018

For and on behalf of the Board of Directors of
Senco Gold Limited
CIN: U36911WB1994PLC064637

Sankar Sen
Managing Director
DIN: 01178744

Suvankar Sen
Executive Director
DIN: 01178803

Vikram Nagpal
Chief Financial Officer

Surendra Gupta
Company Secretary

Place : Kolkata
Date : 06 August 2018

Place : Kolkata
Date : 06 August 2018

1. Reporting Entity

Senco Gold Limited ("Holding Company", "Company") is a company domiciled in India, with its registered office situated at Kolkata. The Company has been incorporated under the provisions of Indian Companies Act, 1956. It is engaged primarily in the business of buying, selling, remodeling, manufacturing of ornaments and articles made of gold, silver, platinum and other precious and semi precious stones and allied materials, in domestic as well as international market.

The Company and a subsidiary (jointly referred to as the "Group" herein under) considered in this Consolidated financial statements is:

Name of the subsidiary	Country of Incorporation	% of voting power held as at 31 March 2014 and 31 March 2015	Nature of relationship
Addyashakti Properties Private Limited	India	100%	Subsidiary

2. Basis of preparation

(a) The Restated Consolidated Summary Statement of Assets and Liabilities of Senco Gold Limited as at 31 March 2015 and 31 March 2014, the Restated Consolidated Summary Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Summary Statement of Changes in Equity and the Restated Consolidated Summary Statement of Cash Flows for the years ended 31 March 2015 and 31 March 2014 and Restated Other Consolidated Financial Information (together referred as ‘Restated Consolidated Financial Information’) has been prepared under Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 to the extent applicable. The Group has elected to present two years as per Proforma Ind AS. The Restated Consolidated Financial Information for the years ended 31 March 2015 and 31 March 2014 has been prepared on Proforma basis (i.e. “Proforma Ind AS Restated Consolidated Financial Information”) in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated 31 March 2016 (“SEBI Circular”) and Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India (‘ICAI’). The Restated Consolidated Financial Information have been compiled by the Group from:

1) The Audited Consolidated Financial Statements of the Group for the years ended 31 March 2015 and 31 March 2014 (Audited Consolidated Financial Statements) prepared under previous generally accepted accounting principles followed in India (‘Previous GAAP’ or ‘Indian GAAP’). The Restated Consolidated Financial Information for these years along with respective underlying schedules and notes are “Proforma Ind AS Restated Consolidated Financial Information”, as per the Guidance note on Reports in Company Prospectuses (Revised 2016), issued by the ICAI. The Group has followed the same accounting policy choice as followed in the Restated Standalone Financial Information for the financial years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, and also as initially adopted on transition date i.e. 1 April 2016, while preparing Restated Consolidated Financial Information for the years ended 31 March 2015 and 31 March 2014.

The Restated Consolidated Financial Information relates to the Company and its subsidiary (collectively ‘the Group’).

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Group has presented a reconciliation from the presentation of Consolidated Financial Statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (“Previous GAAP” or “Indian GAAP”) to Ind AS of Restated Consolidated Shareholders’ equity as at 31 March 2015 and 31 March 2014 and of the Restated Consolidated Summary Statement of Profit and Loss for the years ended 31 March 2015 and 31 March 2014. Refer Annexure VI for details of the same.

Annexure V - Basis of preparation and significant accounting policies (continued)

The Restated Consolidated Financial Information have been prepared by the management in connection with the proposed listing of equity shares of the Group, to be filed by the Group with the Securities and Exchange Board of India ('the SEBI'), relevant Registrar of Companies, as applicable and the concerned Stock Exchanges in accordance with the requirements of:

a) Section 26 of the Companies Act, 2013;
b) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the SEBI on August 26, 2009, as amended to date in pursuance of provisions of Securities and Exchange Board of India Act, 1992 read along with SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated 31 March 2016 (together referred to as the 'ICDR regulations'); and
c) Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the ICAI (referred to as 'the Guidance note').

These Restated Consolidated Financial Information have been compiled by the Group from the Audited Consolidated Financial Statements and:
• there were no audit adjustments on these Consolidated Financial Statements except as mentioned in Note (v) to Annexure VI,
• there were no changes in accounting policies under Previous GAAP during the years of these financial statements,
• material amounts relating to adjustments for previous years in arriving at profit/loss of the years to which they relate, have been appropriately adjusted, refer Annexure VI,
• adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited standalone financial statements of the Company as at and for the year ended 31 March 2018 prepared under Ind AS and the requirements of the ICDR Regulations, and
• the resultant tax impact on above adjustments has been appropriately adjusted in deferred taxes in the respective years to which they relate.

These Restated Consolidated Financial Information were adopted by the IPO Committee of the Company, in its meeting held on 6th August 2018.

(b) Functional and Presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Group's functional currency. All amounts have been rounded off to the nearest million, unless otherwise indicated.

(c) Basis of measurement

The financial statements have been prepared on historical cost convention on the accrual basis, except for the following items:

Items	Measurement basis
Derivative financial instruments	Fair Value Through Profit or Loss ("FVTPL")
Certain financial assets and financial liabilities	Fair value
Assets held for sale	Lower of its carrying amount and fair value less costs to sell
Investment in certain equity shares of entities other than subsidiary companies	Fair Value Through Other Comprehensive Income ("FVOCI")
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

(d) Use of estimates and judgements

The preparation of the Group's Restated Consolidated Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these Restated Consolidated Financial Information have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. The changes in the estimates are reflected in the Restated Consolidated Financial Information in the period in which changes are made and, if material, their effects are disclosed in the notes to the Restated Consolidated Financial Information.

(e) Critical accounting estimates and key sources of estimation uncertainty : Key assumptions

Useful lives of Property, plant and equipment

The Group uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using certain valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as volatility risk, credit risk and volatility. See note 39 to Annexure VII for details.

Defined benefit plan

The cost of the defined benefit plan includes gratuity and the present value of the gratuity obligation are determined using actuarial valuations using projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. See note 33 to Annexure VII for details.

Recognition of current tax and deferred tax

Current taxes are recognised at tax rates (tax laws) enacted or substantively enacted by the reporting date and the amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. See note 7 to Annexure VII for details.

Recognition and measurement of provisions and contingencies

The certain key assumptions about the likelihood and magnitude of an outflow of resources. Provision is towards known contractual obligation, litigation cases and pending assessments in respect of taxes, duties and other levies in respect of which management believes that there are present obligations and the settlement of such obligations are expected to result in outflow of resources, to the extent provided for.

(f) Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for financial assets and financial liabilities.

The Group has an established control framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in note 39 to Annexure VII .

3. Significant accounting policies

(a) Basis of consolidation

The Restated Consolidated Financial Information comprise the financial information of the Holding Company and its subsidiary Company where Control exists when the Holding Company is exposed to, or has rights, to variable returns from its involvement with the entity, and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. Subsidiary Company is fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

These Restated Consolidated Financial Information are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial information of the subsidiary Company used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company, i.e., for years ended on 31 March 2015 and 31 March 2014.

Principles of consolidation

(i) Subsidiary Company is consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after eliminating all significant intragroup balances and intra-group transactions and also unrealised profits or losses. The results of operations of a subsidiary are included in the Consolidated Financial Information from the date on which the parent subsidiary relationship comes into existence.

Annexure V - Basis of preparation and significant accounting policies (continued)

(ii) Offset (eliminate) the carrying amount of the Holding Company's investment in subsidiary and the Holding Company's portion of equity of subsidiary.

(iii) The Financial Information of the group entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Group i.e. year ended 31 March 2015 and 31 March 2014.

(b) Current–non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

Assets

An asset is classified as current when it satisfies any of the following criteria:

(a) it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is expected to be realised within 12 months after the reporting date; or

(d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

(a) it is expected to be settled in the Group's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is due to be settled within 12 months after the reporting date; or

(d) the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

Based on the nature of operations, the Group has ascertained its operating cycle for the purpose of current and non-current classification of assets and liabilities as 12 months. Operating cycle is the time between the purchase of raw materials for processing and their realisation in cash or cash equivalents.

(c) Property, plant and equipment (PPE)

(i) Recognition and measurement

Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation. The cost of an item of property, plant and equipment comprises its purchase price 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.

Items such as spare parts, stand-by equipment and servicing equipment are capitalised as PPE only if they are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and are expected to be used during more than a period of twelve months.

Property, plant and equipment under construction are disclosed as capital work-in-progress.

A PPE is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal.

Assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value and shown separately under ‘Current assets’. Losses arising from retirement or gains or losses arising from disposal of PPE which are carried at cost are recognised in the Statement of Profit and Loss.

(ii) Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment. See note 43 for details.

(iii) Subsequent expenditure

Subsequent expenditures related to an item of property, plant and equipment are added to its book value only if it is probable that future economic benefits associated with the item will flow to the enterprise and the cost of the item can be measured reliably.

(iv) Depreciation

Property, plant and equipment

Depreciation in respect of all the assets is provided on written down value method over their useful lives, as estimated by the management. Useful lives so estimated are in line with the useful lives indicated by Schedule II to the Companies Act, 2013 except for lease hold building and lease hold improvements which have been depreciated over the useful lives which are higher than the respective period of lease. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year.

Plant and equipment and furniture and fittings, costing individually Rs. 0.005 million or less, are depreciated fully in the year of purchase.

Lease hold building and lease hold improvement is being depreciated over the period of 20 years.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on the management evaluation useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed off).

(v) Reclassification to Investment Property

When the use of a property changes from owner occupied to investment property, the property is reclassified as investment property at its carrying value on the date of reclassification.

(d) Intangible assets

(i) Recognition and measurement

Intangible assets that are acquired by the Group are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and accumulated impairment loss, if any.

(ii) Subsequent expenditure

Subsequent expenditures related to an item of intangible assets are added to its book value only if it is probable that future economic benefits associated with the item will flow to the enterprise and the cost of the item can be measured reliably.

(iii) Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

(iv) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the written down value method, and is included in depreciation and amortisation in Statement of Profit and Loss.

Class of assets	Useful life
Computer software	5 years

Amortisation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(e) Financial instruments

(i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at:
- amortised cost; or
- fair value through Other Comprehensive Income (FVOCI) - Equity Investment; or
- fair value through Profit or Loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
(a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The effective interest rate (EIR) amortisation is included in finance income in the Restated Consolidated Statement of Profit and Loss. This category generally applies to long-term deposits and long-term trade receivables.

Financial assets at fair value through other comprehensive income (FVOCI)
On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI-equity investment). This election is made on an investment-by-investment basis.

Financial assets are measured at the FVOCI if both of the following conditions are met:
(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
(b) The asset's contractual cash flows represent SPPI.

Financial assets included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI).

In accordance with Ind AS 101, the Group has irrevocably designated its investment in equity instruments as FVOCI on the date of transition to Ind AS.

Financial assets at fair value through profit or loss (FVTPL)
All financial assets which are not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest (SPPI).

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:
- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non- recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of Profit and Loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method (EIR). The amortised cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is recognised in Statement of Profit and Loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to Statement of Profit and Loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL.

Financial liabilities through fair value through profit or loss (FVTPL)

A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Financial liabilities at amortised cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss.
Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

Interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

(iii) Derecognition
Financial assets

The Group derecognises a financial asset:
- when the contractual rights to the cash flows from the financial asset expire, or
- it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retires either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Statement of Profit and Loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

(vi) Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

The Company enters into purchase of gold contract, in which the amount payable is not fixed based on gold price on the date of purchase, but instead is affected by changes in gold prices in future. Such transactions are entered into to protect against the risk of gold price movement in the purchased gold. Accordingly, such unfixed payables are considered to have an embedded derivative. The Company designates the gold price risk in such instruments as hedging instruments, with gold inventory considered to be the hedged item. The hedged risk is gold prices in USD. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes the Company’s risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument’s fair value in offsetting the exposure to changes in the hedged item’s fair value attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated. Changes in fair value of the hedging instrument attributable to the risk hedged is recorded as part of the carrying value of the hedged item.

Embedded derivative are accounted for as separate derivative and recorded at fair value with changes in fair value recognised in Statement of Profit and Loss.

(f) Inventories

Inventory of raw materials are carried at cost. The carrying cost of raw materials held for use in the production of inventories are appropriately written down when there is a decline in replacement cost of such materials and the finished products in which they will be incorporated are expected to be sold and it is estimated that the cost of the finished products will exceed their net realisable value.

Inventory of finished goods and stock-in-trade are valued at the lower of cost and net realisable value. Cost of finished goods include costs of raw material, direct labour and other directly attributable expenses incurred in bringing such goods to their present location and condition.

In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

In determining the cost, weighted average method is used. Alloys and consumables are charged off to the Statement of Profit and Loss.

The comparison of cost and net realisable value is made on an item-by-item basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

Annexure V - Basis of preparation and significant accounting policies (continued)

(g) Impairment

(i) Impairment of financial instruments: financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Group recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivable with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in Statement of Profit and Loss.

In case of trade receivables, the Group follows the simplified approach permitted by Ind AS 109 Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Group to track changes in credit risk. The Group calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including subsequent information.

(ii) Impairment of non-financial assets

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest Group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Group's corporate assets (e.g. corporate office for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss.

Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(h) Investment property

Land or building held to earn rentals or for capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of business is recognised as Investment Property.

An investment property is measured initially at its cost. The cost of an investment property comprises its purchase price and any directly attributable expenditure. After initial recognition, the Group carries the investment property at the cost less accumulated depreciation and accumulated impairment, if any.

Gain or loss on disposal

Any gain or loss on disposal of an Investment Property is recognised in the Restated Consolidated Summary Statement of Profit and Loss.

(i) Employee benefits expense

The Group's obligations towards various employee benefits have been recognised as follows:

(i) Short term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Post employment benefits

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions for employee provident fund to Government administered provident fund scheme, which are defined contribution plans. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Group's gratuity benefit scheme is a defined benefit plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements. The Group recognises all actuarial gains and losses arising from defined benefit plan immediately in the Statement of Profit and Loss.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other comprehensive income (OCI). The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of profit and Loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested.

(iv) Other long term employees benefits

Compensated absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Group records an obligation for such compensated absences (which includes privilege leave and sick leave) in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Remeasurements gains and losses are recognised in Statement of Profit and Losses in the period in which they arise.

(j) Revenue recognition

Revenue from sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and quantity discounts and exclusive of Sales tax, Value added tax (VAT) and is inclusive of excise duty. This inter alia involves discounting of the consideration due to the present value if payment extends beyond normal credit terms. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably. The timing of transfers of risks and rewards varies depending on the individual terms of sale.

Rendering of services

Revenue from services rendered is recognised in profit and loss in proportion to the stage of completion of the transactions at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

Upfront/one time fees/charges received from franchises at the time of entering into such agreement/ contract is recognised as and when received.

Recognition of dividend income, interest income or expense

Dividend income is recognised in Statement of Profit and Loss on the date on which the Group's right to receive payment is established.

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(k) Operating leases

Payments made under operating leases are generally recognised in Statement of Profit and Loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(l) Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

(m) Foreign exchange transactions

Transactions in foreign currencies are translated into the respective functional currency of the Group at the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

(n) Income tax

Income tax expense comprises of current tax and deferred tax. Current tax and deferred tax is recognised in the Statement of profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in Other Comprehensive Income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only, if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (tax base). Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- taxable temporary differences arising on the initial recognition of goodwill.

In case of tax payable as Minimum Alternative Tax (‘MAT’) under the provisions of the Income tax Act, 1961, the credit available under the Act in respect of MAT paid is recognised as 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 setoff against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

(o) Cash and cash equivalents

Cash and cash equivalents include cash and cash-on-deposit with banks. The Group considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

(p) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a 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. The cash flows from operating, investing and financing activities of the Group are segregated.

(q) Earnings per share

Basic earnings per share is 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.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(r) Financial guarantee

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

(s) Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance. The Group is engaged primarily in the business of buying, selling, remodeling, manufacturing of ornaments and articles made of gold, silver, platinum and other precious and semi precious stones and allied materials, in domestic as well as international market. The performance of the Company is assessed and reviewed by the CODM as a single operating segment and accordingly sale of gold jewellery and other articles is the only operating segment.

(t) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(u) Dividend

Dividend paid or payable shall be recognised in the year in which the related dividends are approved by shareholders or board of directors as appropriate.

(v) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(w) 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 Group 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 the obligation or a reliable estimate of the amount cannot be made.

Annexure V - Basis of preparation and significant accounting policies (continued)

3A Recent accounting pronouncements- Standard issued but not yet effective

On 28 March 2018, Ministry of Corporate Affairs (MCA) has notified new standards and amendments to existing standards. These amendments are effective 1 April 2018.

(i) Revenue from contracts with customers- Ind AS 115

Ind AS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue and Ins AS 11 Construction Contracts. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. This Standard permits two possible methods of transition i.e. retrospective approach and modified retrospective method.

The Group is in the process of evaluating and identifying the key impacts along with transition options to be considered while transiting to Ind AS 115.

Amendments to existing Ind AS

The following amended standards are not expected to have a significant impact on the Group's Consolidated financial statements. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Group when it adopts the respective standards.

(i) Ind AS 40 - Investment Property

The amendment lays down the principle regarding the transfer of asset to, or from, investment property.

(ii) Ind AS 21 - The Effects of Changes in Foreign Exchange Rates

The amendment lays down principles to determine the date of transaction when a Group recognizes a nonmonetary prepayment asset or deferred income liability.

(iii) Ind AS 12 – Income Taxes

The amendments explain that determining temporary differences and estimating probable future taxable profit against which deductible temporary differences are assessed for utilization are two separate steps.

Senco Gold Limited

Annexure VI - Restated Consolidated Statement on Adjustments to Audited Consolidated Financial Statements

i. Material Ind AS adjustments and restatement adjustments

Summarised below are the restatement adjustments made to the consolidated financial statements for the years ended 31 March 2015 and 2014 and their impact on the profit/ (loss) of the Group:

(Rs. in million)

	Particulars	Note No.	For the year ended 31 March	
			2015 Proforma	2014 Proforma
A.	**Net profit after tax as per audited financial statements prepared under previous GAAP**		**365.00**	**364.74**
B.	**Ind AS adjustments**			
	Other income - unwinding of discount on security deposits and others	Note 43 to Annexure VII	1.97	0.27
	Other income - on discounting of financial liabilities/provision		0.43	0.32
	Finance costs - borrowings at amortised cost		(0.26)	(0.34)
	Other expenses - amortisation of financial assets		(3.18)	(0.34)
	Cost of materials consumed - derivative		(1.19)	(0.08)
	Changes in inventories of finished goods and stock-in-trade - derivative		(7.77)	(0.81)
	Tax impact on above adjustments		3.40	0.33
	Total impact of Ind AS adjustments		**(6.60)**	**(0.65)**
C.	**Net Profit after tax as per Ind AS (A+B)**		**358.40**	**364.09**
D.	**Material adjustments on account of restatement**			
	Bad debts	(iii) (1)	(10.61)	(2.07)
	Liability no longer required written back	(iii) (2)	7.88	1.64
	Tax impact on above adjustments	(iii) (3)	0.94	0.15
	Total impact of the adjustments		**(1.79)**	**(0.28)**
E.	**Total comprehensive income for the year (C+D)**		**356.61**	**363.81**

Notes:

a. To be read together with summary of significant accounting policies in Annexure V and notes to the restated consolidated financial information in Annexure VII.

ii Material restatement adjustments and Ind AS adjustments made in the Reserve and Surplus as at 1 April 2013

	Particulars	Note	1 April 2013
A.	**Reserves and surplus as per previous GAAP**		**1,150.31**
B.	**Ind AS adjustments**		
	Loans (amortisation of financial assets)	Note 43 to Annexure VII	0.18
	Borrowings at amortised cost		0.37
	Financial liabilities (amortisation of financial liabilities)		(0.29)
	Derivatives		0.67
	Changes in fair value of equity instruments designated at FVOCI		0.09
	Tax impact on above adjustments		(0.32)
	Total impact of Ind AS adjustments		**0.70**

C.	**Material adjustments on account of restatement**		
	Liability no longer required written back	2	3.53
	Tax impact on above adjustments		(1.21)
	Total impact of the adjustments		**2.32**
D.	**Reserves and surplus as restated (A+B+C)**		**1,153.33**

(iii) Material adjustments on account of restatement

1. In the year ended 31 March 2018, certain bad debts were written off. For the purpose of this statement, the said bad debts written off have been appropriately adjusted in the respective financial year to which they relate.

2. In the years ended 31 March 2018, 31 March 2017, 31 March 2016 and 31 March 2014, certain liabilities and provisions, which were recorded in earlier years, were written back. For the purpose of this statement, the said liabilities and provisions have been appropriately adjusted in the respective financial years to which they relate.

3. The corporate tax rate applicable for the respective years has been used to calculate the deferred tax impact on the adjustments.

4. Useful life

Considering the applicability of Schedule II to the Companies Act, 2013, management has re-estimated useful lives and residual values of all its property, plant and equipment, as detailed in Summary of Significant Accounting Policies in Annexure V. Pursuant to this change in useful life of property, plant and equipment, the depreciation charge for the year ended 31 March 2015 is higher by Rs. 20.14 million and an amount of Rs. 0.23 million (net of deferred tax of Rs. 0.12 million) in respect of assets whose useful life is already exhausted as on 1 April 2014 has been adjusted from retained earnings as on 1 April 2014. This adjustment has not been adjusted with retrospective effect in the preceding financial years, as it does not represent an error/omission or a change in accounting policy.

(iv) Material regrouping:

Appropriate adjustments have been made in the Restated Consolidated Statements of Assets and Liabilities, Profit and Loss, Cash Flows and other disclosures, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the Restated Standalone Financial Information for the financial years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014

Annexure VI - Restated Consolidated Statement on Adjustments to Audited Consolidated financial statements (continued)

(v) Non-adjusting items

In addition to the audit opinion on the financial statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2015 ('CARO 2015') issued by the Central Government of India terms of sub-section (11) of Section 143 of the Companies Act, 2013 for the year ended 31 March 2015. Certain statements/comments included in the annexure to the Audit report on the financial statements (i.e. CARO 2015), which do not require any adjustments in the Restated Consolidated Financial Information are reproduced below in respect of the financial statements presented.

<u>Financial Year: 2014-15</u>

1) Clause (iv)

In our opinion and according to the information and explanations given to us and the statutory auditor of subsidiary company incorporated in India, there is an adequate internal control system commensurate with the size of the their respective companies and the nature of their business with regard to the sale of goods and services. In our opinion and according to the information and explanations given to us, the Holding company's internal control system in relation to purchase of certain fixed assets and purchase of certain inventories needs to be further strengthened in terms of inviting comparative quotations and maintenance of supporting documents. Apart from the above, there is no continuing failure to correct major weakness in the internal control system.

2) Clause (vii)

(a)According to the information and explanations given to us and on the basis of examination of the records of the Holding company by us and the statutory auditor of subsidiary company incorporated in India, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, customs duty, value added tax, cess and other material statutory dues have generally been regularly deposited during the year by the respective companies with the appropriate authorities. As explained to us, both the companies did not have any dues on account of Wealth tax and excise duty.

According to the information and explanations given to us and the statutory auditor of subsidiary company incorporated in India, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, value added tax, cess and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.

(b)According to the information and explanations given to us and the statutory auditor of subsidiary company incorporated in India, there are no dues of service tax, customs duty and cess which have not been deposited with the appropriate authorities on account of any dispute. According to the information and explanations given to us and the statutory auditor of subsidiary company incorporated in India, dues of income tax, sales tax, excise duty and value added tax which have not been deposited with the appropriate authorities on account of dispute are listed below:

Name of the Company and relationship	Name of the statute	Nature of dues	Amount (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
Senco Gold Limited, Holding Company	Income-tax Act, 1961	Income tax*	0.84	Assessment Year 2007-08	Income Tax Appellate Tribunal

Annexure VI - Restated Consolidated Statement on Adjustments to Audited Consolidated financial statements (continued)

Senco Gold Limited, Holding Company	Income-tax Act, 1961	Income tax*	3.22	Assessment Year 2008-09	Commissioner of Income Tax (Appeals)
Senco Gold Limited, Holding Company	Income-tax Act, 1961	Income tax	23.02	Assessment Year 2011-12	Commissioner of Income Tax (Appeals)
Senco Gold Limited, Holding Company	Income-tax Act, 1961	Income tax #	4.84	Assessment Year 2011-12	Commissioner of Income Tax (Appeals)
Senco Gold Limited, Holding Company	Income-tax Act, 1961	Income tax #	40.11	Assessment Year 2012-13	Commissioner of Income Tax (Appeals)
Senco Gold Limited, Holding Company	West Bengal Value Added Tax Act, 2003	Value Added Tax	1.56	Financial Year 2008-09	West Bengal Commercial Taxes Appellate & Revisional Board
Senco Gold Limited, Holding Company	West Bengal Value Added Tax Act, 2003	Value Added Tax #	1.48	Financial Year 2008-09	West Bengal Commercial Taxes Appellate & Revisional Board
Senco Gold Limited, Holding Company	Central Excise Act, 1944	Disallowance of Cenvat Credit #	9.33	2011 to 2013	Central Excise and Service Tax Appellate Tribunal

*Out of the above, Rs. 3.50 million has been deposited by the Company under protest

Out of the above, Rs. 0.93 million has been deposited by the Company under protest

3) Clause (viii)

The status of accumulated losses at the end of the financial year and cash losses during the current and immediately preceding financial year is as follows:

Name of the Company and relationship	Whether the Company's accumulated losses at the end of the financial year are less than fifty per cent of its net worth	Whether the Company has incurred cash losses during the current financial year	Whether the Company has incurred cash losses during the immediately preceding financial year

Annexure VI - Restated Consolidated Statement on Adjustments to Audited Consolidated financial statements (continued)

Senco Gold Limited, Holding Company	No	No	No
Addyashakti Properties private Limited, Subsidiary Company	Yes	Yes	Yes

On a consolidated basis, the Holding company and its subsidiary company does not have any accumulated losses at the end of the financial year and have not incurred cash losses during the current year. Since, this is the first year of preparation of the consolidated financial statements, hence we are unable to comment on the cash losses incurred during the immediately preceding financial year.

Emphasis of Matter

We draw attention to Note 41 to the audited consolidated financial statements of the Holding Company. The Net worth of the subsidiary company as on 31 March 2015 is (Rs. 0.46 million). However, the accounts of the subsidiary company have been prepared on Going Concern basis.

Our opinion is not modified in respect of this matter.

Senco Gold Limited

Annexure VII - Notes to the Restated Consolidated Financial Information

Note 1: Property, plant and equipment and capital work-in-progress

Reconciliation of carrying amount

(Rs. in million)

	Freehold buildings [refer note (iii) below]	Leasehold buildings	Leasehold improvements [refer note (ii) below]	Plant and equipments	Furniture and fittings	Office equipments	Vehicles	Total (A)	Capital work-in-progress (B)	Total (A+B)
Cost or deemed cost (gross carrying amount)										
Deemed cost [refer note (i) below]										
Balance as at 1 April 2013 - Proforma	**240.84**	**5.16**	**-**	**30.00**	**20.96**	**3.50**	**2.22**	**302.68**	**10.21**	**312.89**
Additions	46.22	-	14.83	21.95	16.08	2.02	4.06	105.16	63.52	168.68
Disposals/capitalised	-	-	-	-	-	-	-	-	54.64	54.64
Balance as at 31 March 2014 - Proforma	**287.06**	**5.16**	**14.83**	**51.95**	**37.04**	**5.52**	**6.28**	**407.84**	**19.09**	**426.93**
Balance as at 1 April 2014 - Proforma	**287.06**	**5.16**	**14.83**	**51.95**	**37.04**	**5.52**	**6.28**	**407.84**	**19.09**	**426.93**
Additions	2.88	-	12.86	50.38	47.30	2.29	0.06	115.77	165.96	281.73
Disposals/capitalised	-	-	-	-	-	-	-	-	55.48	55.48
Balance as at 31 March 2015 - Proforma	**289.94**	**5.16**	**27.69**	**102.33**	**84.34**	**7.81**	**6.34**	**523.61**	**129.57**	**653.18**
Depreciation										
Balance as at 1 April 2013 - Proforma	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation for the year	13.41	0.26	0.06	6.43	4.22	1.68	1.45	27.51	-	27.51
Balance as at 31 March 2014 - Proforma	**13.41**	**0.26**	**0.06**	**6.43**	**4.22**	**1.68**	**1.45**	**27.51**	**-**	**27.51**
Balance as at 1 April 2014 - Proforma	**13.41**	**0.26**	**0.06**	**6.43**	**4.22**	**1.68**	**1.45**	**27.51**	**-**	**27.51**
Depreciation for the year	27.26	0.53	2.39	12.92	15.18	3.40	1.54	63.22	-	63.22
Depreciation adjusted with General Reserve (#)	-	-	-	0.01	0.20	0.07	0.06	0.34	-	0.34

Balance as at 31 March 2015 - Proforma	**40.67**	**0.79**	**2.45**	**19.36**	**19.60**	**5.15**	**3.05**	**91.07**	**-**	**91.07**
Carrying amount (net)										
As at 31 March 2014 - Proforma	**273.65**	**4.90**	**14.77**	**45.52**	**32.82**	**3.84**	**4.83**	**380.33**	**19.09**	**399.42**
As at 31 March 2015 - Proforma	**249.27**	**4.37**	**25.24**	**82.97**	**64.74**	**2.66**	**3.29**	**432.54**	**129.57**	**562.11**

(i) On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment. The Group has followed the same accounting policy choice as initially adopted on transition date i.e. 1 April 2016 while preparing Restated schedule for the years ended 31 March 2015 and 31 March 2014.

(ii) The Group has taken certain premises on lease for a period of 9 to 25 years. Under the terms of the related agreement, the lease period may be extended at the option of the lessee. Assets constructed on such leasehold properties are being depreciated over their useful lives of 20 years which are higher than the respective periods of lease.

(iii) Includes Rs 12.11 million pertaining to a premises where part possession of the property is under litigation between the previous landlord and the earlier tenants. However, the Group has clear title to the property. The matter was pending with the Hon'ble High Court of Calcutta for settlement.

 # Useful life

Considering the applicability of Schedule II to the Companies Act, 2013, management has re-estimated useful lives and residual values of all its property, plant and equipment, as detailed in Summary of Significant Accounting Policies in Annexure V. Pursuant to this change in useful life of fixed assets, the depreciation charge for the year ended 31 March 2015 is higher by Rs. 20.14 million and an amount of Rs. 0.23 million (net of deferred tax of Rs. 0.12 million) in respect of assets whose useful life is already exhausted as on 1 April 2014 has been adjusted from retained earnings as on 1 April 2014.

This adjustment has not been adjusted with retrospective effect in the preceding financial years, as it does not represent an error/omission or a change in accounting policy.

Annexure VII - Notes to the Restated Consolidated Financial Information (continued)

Note 2: Investment property

(Rs. in million)

	31 March 2015 Proforma	31 March 2014 Proforma
Building at Kolkata	87.23	87.23
Property at Mumbai	142.69	142.69
Total	**229.92**	**229.92**

* On transition to Ind AS, the Group has elected to continue with the carrying value of all of its investment property recognised as at 1 April 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of the investment property. The Group has followed the same accounting policy choice as initially adopted on transition date i.e. 1 April 2016 while preparing Restated schedule for the years ended 31 March 2015 and 31 March 2014.

Note 3: Intangible assets

Reconciliation of carrying amount (Rs. in million)

Computer software	31 March 2015 Proforma	31 March 2014 Proforma
Gross carrying value at the beginning of the year	**10.06**	**9.07**
Additions	1.64	0.99
Gross carrying value at the end of the year	**11.70**	**10.06**
Accumulated amortisation at the beginning of the year	**1.81**	**-**
Amortisation	1.86	1.81
Accumulated amortisation at the end of the year	**3.67**	**1.81**
Carrying value as at the end of the year	**8.03**	**8.25**

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016 measured as per the previous Indian GAAP and use that carrying value as the deemed cost of the intangible assets. The Group has followed the same accounting policy choice as initially adopted on transition date i.e. 1 April 2016 while preparing Proforma Restated schedule for the years ended 31 March 2015 and 31 March 2014.

Note 4: Non-current investments

(Rs. in million)

	31 March 2015 Proforma	31 March 2014 Proforma
Investment in Equity Instruments		
Investment carried at cost		
Unquoted		
Investment in Unquoted equity instrument carried at FVOCI		
Diamond Prestige		
Occupants Association		
900 (31 March 2014: 900) equity shares of Rs. 10 each, fully paid up	0.10	0.10
Total	**0.10**	**0.10**
Aggregate value of unquoted investments	**0.10**	**0.10**

Annexure VII - Notes to the Restated Consolidated Financial Information (continued)

As at 1 April 2016 , the Company designated the investments shown above as equity shares at FVOCI because these shares represent investment that the Company intends to hold for long term strategic purpose. The Group has followed the same accounting policy choice as initially adopted on transition date i.e. 1 April 2016 while preparing Proforma Restated schedule for the years ended 31 March 2015 and 31 March 2014.

Note 5: Loans #

(Unsecured, considered good unless otherwise stated) (Rs. in million)

	31 March 2015 Proforma	31 March 2014 Proforma
Non -Current		
Security deposits ^	57.05	6.81
Total (A)	**57.05**	**6.81**
Current		
Security deposits ^	-	-
Loans to related parties		
Mangoe Construction Private Limited *	-	1.09
Loans to employees	1.70	0.18
Other deposits	7.50	10.49
Total (B)	**9.20**	**11.76**
Total(A+B)	**66.25**	**18.57**

Refer note 39 for classification.

^ Refer note 34 for security deposits given to related party.

* Interest free unsecured loan, repayable on demand.

There is no amount receivable from directors of the Group during any of these years.

Note 6: Other financial assets #

(Rs. in million)

	31 March 2015 Proforma	31 March 2014 Proforma
Non -Current		
Bank deposits (due to mature after 12 months from the reporting date)	125.85	33.15
Total (A)	**125.85**	**33.15**
Current		
Interest accrued on fixed deposits	14.87	8.73
Other receivables	4.92	-
Total (B)	**19.79**	**8.73**
Total(A+B)	**145.64**	**41.88**

Earmarked balances with banks

Deposits pledged with banks as margin money deposit and for guarantees given.	**118.79**	**11.98**

Refer note 39 for classification.

Annexure VII - Notes to the Restated Consolidated Financial Information (continued)

Note 7: Income taxes

A. Components of income tax expense

(Rs. in million)

	31 March 2015 Proforma	31 March 2014 Proforma
I. Tax expense recognised in the Statement of Profit and Loss		
Current tax		
Current year	194.55	147.23
Total (A)	**194.55**	**147.23**
Deferred tax charge/(credit)		
Origination and reversal of temporary differences	(20.13)	1.25
Total (B)	**(20.13)**	**1.25**
Total (A+B)	**174.42**	**148.48**
II. Tax on Other Comprehensive Income		
Deferred tax		
Income taxes relating to remeasurements of defined benefit liability / (asset)	0.54	(0.05)
Total	**0.54**	**(0.05)**

B. Reconciliation of Effective Tax Rate

(Rs. in million)

	31 March 2015 Proforma	31 March 2014 Proforma
Profit before tax	532.04	512.19
Indian tax rate	33.990%	33.990%
Tax using the Indian tax rate	**180.84**	**174.09**
Differences due to:		
Tax exempt income	(4.72)	(25.12)
Others	(1.70)	(0.49)
	(6.42)	**(25.61)**
Tax expense	**174.42**	**148.48**
Effective tax rate	**32.78%**	**28.99%**

C. Movement in deferred tax assets and (liabilities)

(Rs. in million)

	Balance as at 1 April 2013	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Others	Balance as at 31 March 2014
Property, plant and equipment	(8.99)	(3.45)	-	-	-	(12.44)
Provision for gratuity	1.14	-	(0.05)	-	-	1.09
Provision for leave	0.74	0.36	-	-	-	1.10
Provision for lease equalisation	1.39	1.32	-	-	-	2.71
Expenditure covered by section 43B of Income-tax Act, 1961	0.43	(0.43)	-	-	-	-
Provision for doubtful trade receivables	0.74	(0.68)	-	-	-	0.06
Preliminary expenses	0.03	(0.01)	-	-	-	0.02

Carry forward losses	0.27	1.15	-	-	-	1.42
Loans (amortisation of financial assets)	0.10	0.02	-	-	-	0.12
Other adjustments (Derivatives, Inventory, Gold metal loan)	(0.23)	0.30	-	-	-	0.07
Borrowings at amortised cost	(0.13)	0.03	-	-	-	(0.10)
Financial liabilities (amortisation of financial liabilities)	(0.06)	(0.02)	-	-	-	(0.08)
Others	(1.21)	0.16	-	-	-	(1.05)
	(5.78)	**(1.25)**	**(0.05)**	-	-	**(7.08)**

(Rs. in million)

	Balance as at 1 April 2014	**Recognised in profit or loss**	**Recognised in OCI**	**Recognised directly in equity**	**Others**	**Balance as at 31 March 2015**
Property, plant and equipment	(12.44)	3.03	-	0.12	-	(9.29)
Provision for gratuity	1.09	(0.38)	0.54	-	-	1.25
Provision for leave	1.10	2.17	-	-	-	3.27
Provision for lease equalisation	2.71	2.81	-	-	-	5.52
Expenditure covered by section 43B of Income-tax Act, 1961	-	-	-	-	-	-
Provision for doubtful trade receivables	0.06	-	-	-	-	0.06
Preliminary expenses	0.02	-	-	-	(0.01)	0.01
Carry forward losses	1.42	4.10	-	-	-	5.52
Preconstruction interest on property	-	4.07	-	-	-	4.07
Loans (amortisation of financial assets)	0.12	0.41	-	-	-	0.53
Other adjustments (Derivatives, Inventory, Gold metal loan)	0.07	3.05	-	-	-	3.12
Borrowings at amortised cost	(0.10)	(0.04)	-	-	-	(0.14)
Financial liabilities (amortisation of financial liabilities)	(0.08)	(0.02)	-	-	-	(0.10)
Others	(1.05)	0.93	-	-	-	(0.12)
	(7.08)	**20.13**	**0.54**	**0.12**	**(0.01)**	**13.70**

Note 8: Non-current tax assets (net)

(Rs. in million)

	31 March 2015 Proforma	**31 March 2014 Proforma**
Advance tax recoverable [Net of provision for tax (31 March 2015: Rs. 671.48, 31 March 2014: Rs. 671.48)]	38.77	37.65
	38.77	**37.65**

Annexure VII - Notes to the Restated Consolidated Financial Information (continued)

Note 9: Other assets

(Rs. in million)

	31 March 2015 Proforma	31 March 2014 Proforma
Non -Current		
Capital advances	20.63	5.43
Advance against rent	43.48	2.28
Preconstruction interest-property at Mumbai	9.87	13.16
Total (A)	**73.98**	**20.87**
Current		
Advance against rent @	9.78	7.30
Advance expenses	-	-
Balances with statutory authorities	7.80	0.44
Service tax credit receivable	1.43	3.03
Prepaid expenses	8.02	2.69
Advances for supply of goods	5.96	6.91
Preconstruction interest-property at Mumbai	3.29	3.29
Total (B)	**36.28**	**23.66**
Total(A+B)	**110.26**	**44.53**

@ Refer note 34 for advance rent given to related party.

Note 10: Inventories

(Rs. in million)

	31 March 2015 Proforma	31 March 2014 Proforma
(Valued at the lower of cost and net realizable value)		
Raw materials	353.69	211.42
Work in progress	-	0.24
Stock-in-trade	-	-
Finished goods	3,223.68	2,433.46
	3,577.37	**2,645.12**

Note 11: Trade receivables

(Rs. in million)

	31 March 2015 Proforma	31 March 2014 Proforma
Unsecured, considered good	436.87	523.49
Doubtful	0.18	0.18
	437.05	523.67
Less: Provision for doubtful receivables	(0.18)	(0.18)
	436.87	**523.49**

There is no amount receivable from directors of the Group during any of these years.
Refer Note 34 for transactions with related parties

Annexure VII - Notes to the Restated Consolidated Financial Information (continued)

The movement in allowance for bad and doubtful debts is as follows:		
Balance as at beginning of the year	0.18	0.18
Add: Allowance for bad and doubtful debts during the year	-	-
Less: Trade receivables written off during the year	-	-
Balance as at the end of the year	**0.18**	**0.18**

Refer note 39 for information about credit risk and market risk of trade receivables

Note 12: Cash and cash equivalents

(Rs. in million)

	31 March 2015 Proforma	31 March 2014 Proforma
- Balances with banks		
on current accounts *	131.42	364.15
on deposits accounts (with original maturity of 3 months or less) **	-	120.00
- Cash on hand	1.14	14.23
	132.56	**498.38**

Earmarked balances with banks

* held as margin money with the banks as security or for restricted use only.	9.78	61.54
** Deposits pledged with banks as margin money deposit and for guarantees given.	-	120.00

Note 13: Other bank balances

(Rs. in million)

	31 March 2015 Proforma	31 March 2014 Proforma
- Balances with banks		
on deposits accounts (with original maturity of more than 3 months but less than 12 months)	243.58	170.16
	243.58	**170.16**

Earmarked balances with banks

Deposits pledged with banks as margin money deposit and for guarantees given.	129.71	131.50

Annexure VII - Notes to the Restated Consolidated Financial Information (continued)

Note 14: Share capital

(Rs. in million except per share data)

	31 March 2015 Proforma	31 March 2014 Proforma
Authorised		
27,500,000 (31 March 2014: 32,000,000) equity shares of Rs 10 each	275.00	320.00
4,500,000 (31 March 2014: Nil) preference shares of Rs 10 each	45.00	-
	320.00	**320.00**
Issued, subscribed and paid up		
17,728,704 (31 March 2014: 17,728,604) equity shares of Rs 10 each	177.29	177.29
4,432,051 (31 March 2014: Nil) 0.01% compulsorily convertible non-cumulative preference shares of Rs 10 each	44.32	-
	221.61	**177.29**

(a) Reconciliation of shares outstanding at the beginning and at the end of the year

	31 March 2015 Proforma		31 March 2014 Proforma	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
At the commencement of the year	1,77,28,604	177.29	1,77,28,604	177.29
Issued during the year	100	0.00	-	-
Outstanding at the end of the year	**1,77,28,704**	**177.29**	**1,77,28,604**	**177.29**

	31 March 2015 Proforma		31 March 2014 Proforma	
	Number of shares	Amount	Number of shares	Amount
0.01% compulsorily convertible non-cumulative preference shares				
At the commencement of the year	-	-	-	-
Issued during the year	44,32,051	44.32	-	-
Outstanding at the end of the year	**44,32,051**	**44.32**	**-**	**-**

(b) Details of dividend paid

	31 March 2015 Proforma	31 March 2014 Proforma
Dividend paid	-	44.32
Dividend per share (in Rs.)	-	2.50

(c) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company’s residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

Annexure VII - Notes to the Restated Consolidated Financial Information (continued)

(d) Rights, preferences and restrictions attached to compulsorily convertible non-cumulative preference shares

Compulsorily convertible non-cumulative preference shares were issued at par on 8 October 2014 and each share is convertible into one equity share of par value Rs. 10 at any time on or after 8 October 2014 but not later than 7 October 2034. Failing this, they shall be converted into equity shares by the Company on 8 October 2034. The holders of these shares are entitled to a non-cumulative dividend of 0.01% of the face value of the preference shares. The holders of the preference shares are also entitled to participate in dividend and capital distributed by the Company over and above the preference dividend on as-if converted basis pari passu with the holders of the Equity Shares of the Company.

Preference shares carry a preferential right as to dividend over equity shareholders. Where dividend on preference shares is not declared for a financial year, the entitlement thereto in the case of non-cumulative preference shares for that year lapses. The preference shares are entitled to one vote per share at meetings of the Company on any resolutions of the Company directly affecting their rights as mentioned in their shareholder agreement. In the event of liquidation, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid-up on such shares.

(e) Particulars of shareholders holding more than 5% shares in the Company

	31 March 2015 Proforma		31 March 2014 Proforma	
	Number of shares	**% holding**	**Number of shares**	**% holding**
Equity shares				
- Sankar Sen (Managing Director)	1,26,54,673	71.38%	1,26,54,673	71.38%
- Ranjana Sen (Director, upto 31 March 2018)	27,78,281	15.67%	27,78,281	15.67%
- Suvankar Sen (Executive Director)	22,94,950	12.94%	22,94,950	12.94%

	31 March 2015 Proforma		31 March 2014 Proforma	
	Number of shares	**% holding**	**Number of shares**	**% holding**
0.01% compulsorily convertible non-cumulative preference shares				
- Saif Partners India IV Limited, Mauritius	44,32,051	100.00%	-	-

(f) Shares reserved for issue under options and contracts/ Commitments for sale of share/ disinvestment

(Rs. in million)

For 0.01% compulsorily convertible non-cumulative preference shares	**Number of shares**	**Amount**
As at 31 March 2015 Proforma	44,32,051	44.32
As at 31 March 2014 Proforma	-	-

Annexure VII - Notes to the Restated Consolidated Financial Information (continued)
Note 15: Other equity

(Rs. in million)

Particulars	Securities premium	General reserve	Retained earnings	Total
Balance at 1 April 2013 Proforma (A)	**1.88**	**117.37**	**1,034.08**	**1,153.33**
Profit for the year	-	-	363.71	363.71
Other comprehensive income (net of tax)	-	-	0.10	0.10
Appropriations				
Interim dividend on equity shares [Rs 2.50 per share]	-	-	(44.32)	(44.32)
Tax on interim dividend on equity shares	-	-	(7.53)	(7.53)
Transfer to general reserve	-	36.49	(36.49)	-
Total comprehensive income for the year (B)	**-**	**36.49**	**275.47**	**311.96**
Balance as at 31 March 2014 Proforma (A+B)	**1.88**	**153.86**	**1,309.55**	**1,465.29**

(Rs. in million)

Particulars	Securities premium	General reserve	Retained earnings	Total
Balance at 1 April 2014 Proforma (A)	**1.88**	**153.86**	**1,309.55**	**1,465.29**
Premium received on issue of shares	755.68	-	-	755.68
Profit for the year	-	-	357.62	357.62
Other comprehensive income (net of tax)	-	-	(1.01)	(1.01)
Depreciation adjustment (refer note 1)	-	(0.23)	-	(0.23)
Total comprehensive income for the year (B)	**755.68**	**(0.23)**	**356.61**	**1,112.06**
Balance as at 31 March 2015 Proforma (A+B)	**757.56**	**153.63**	**1,666.16**	**2,577.35**

A. The description, nature and purpose of each reserve within other equity are as follows:

Security premium: Security premium reserve is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve: The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956 and Companies Act, 2013.

Retained Earnings: Retained earnings represents the profits earned by the Company till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

B. Disaggregation of changes in items of OCI

(Rs. in million)

	31 March 2015 Proforma	31 March 2014 Proforma
Retained earnings		
Other comprehensive income (net of tax)	(1.01)	0.10
	(1.01)	**0.10**

Senco Gold Limited

Annexure VII - Notes to the Restated Consolidated Financial Information (continued)

Note 16: Borrowings

(Rs. in million)

	31 March 2015 Proforma	31 March 2014 Proforma
Non -Current		
Term Loans (secured)		
Term loans:		
- from bank (secured)	146.07	189.34
- from other parties (secured)	2.40	2.82
Vehicle loan from bank (secured)	-	-
Loan from Directors (unsecured) #	2.00	2.00
	150.47	194.16
Less: Amount shown under other financial liabilities	-	-
	150.47	**194.16**
# These are interest free loan taken from Mr. Sankar Sen (Managing Director) and Mr. Suvankar Sen (Executive Director).		
Current		
Term Loans (secured)		
Term loans:		
- from bank (secured)	43.10	41.32
- from other parties (secured)	0.43	0.39
	43.53	41.71
Less: Amount shown under other financial liabilities	(43.53)	(41.71)
	-	**-**
Short-term borrowings		
Loans repayable on demand		
- Cash credit and overdraft facilities from banks (secured) [refer note (a) below]	992.38	1,543.09
- Gold metal loans (secured) [refer note (b) below]	819.97	187.08
- Packing credit (secured) [refer note (c) below]	115.50	149.98
	1,927.85	1,880.15
Less: Amount shown under other financial liabilities	-	-
	1,927.85	**1,880.15**

	Date of Maturity	Number of Installment	Value of each Installment (Rs.)	Rate of Interest	31 March 2015 Proforma	31 March 2014 Proforma
Kotak Mahindra Bank-Term loan for New Delhi (i)	31-Dec-19	96	9,25,613	12.5% p.a.	39.36	45.18

Kotak Mahindra Bank-Term loan for Jadavpur, Kolkata (ii)	31-Jan-20	96	10,57,844	12.5% p.a.	45.87	52.38
Kotak Mahindra Bank-Term loan for Diamond Prestige (Kolkata) (iii)	31-Jan-21	96	8,89,000	IVBR + 2.05% p.a.	46.83	65.31
Kotak Mahindra Bank-Term loan for Mayfare (Mumbai) (iv)	30-Apr-19	84	15,40,000	IVBR + 2.05% p.a.	57.12	67.79
Vehicle Loan from BMW Financial Services (v)	16-May-20	84	59,949	11% p.a.	2.82	3.21
					192.00	**233.87**

The period of the term loan is 72 months, out of which 24 months are holiday period. The term loan is payable in 12 quarterly installment post holiday period.

(i) Term loan is secured by way of equitable mortgage of property located at New Delhi and personal guarantees of Mr. Sankar Sen (Managing director) and Mr. Suvankar Sen (Executive director).
(ii) Term loan is secured by way of equitable mortgage of property located at Kolkata and personal guarantees of Mr. Sankar Sen (Managing director) and Mr. Suvankar Sen (Executive director).
(iii) Term Loan is secured by way of equitable mortgage of property located at Kolkata and personal guarantees of Mr. Sankar Sen (Managing director) and Mr. Suvankar Sen (Executive director).
(iv) Term Loan is secured by way of equitable mortgage of property located at Mumbai and personal guarantees of Mr. Sankar Sen (Managing director) and Mr. Suvankar Sen (Executive director).
(v) Vehicle loan is secured by way of hypothecation of the respective vehicle.

(a) Cash credit and overdraft facilities from banks carry interest ranging between 10.5%-12.5% p.a., computed on a daily basis on the actual amount utilised, and are repayable on demand. These are secured by way of hypothecation of the Company's entire stocks and such other moveables including book debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, pertaining to all shops and showrooms of the Company, entire fixed assets , present and future, except land and building in a form and manner satisfactory to the bank. The loan is also secured by the unconditional and irrevocable personal guarantees given by the directors of the Company (a) Mr. Sankar Sen, (b) Mr. Suvankar Sen and (c) Mrs. Ranjana Sen.

(b) Gold metal loans carry interest ranging between 2% - 3.75% p.a. calculated on the number of ounce outstanding and are repayable within 270 days if prior notice is given to bank or otherwise 90 days, if the end use of advance of bullion is for export purposes and 180 days if the end use of bullion is for domestic purpose. These are secured by way of hypothecation of the Company's entire stocks and such other moveables including book debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, pertaining to all shops and showrooms of the Company, entire fixed assets , present and future, except land and building in a form and manner satisfactory to the bank, margin money of 10%, Standby Letter of Credit (SBLC) provided by the banks in favour of Bank of Nova Scotia and also by the personal guarantees given by the directors (a) Mr. Sankar Sen, (b) Mr. Suvankar Sen and (c) Mrs. Ranjana Sen.

(c) Packing credit loans carry interest @ LIBOR plus 3.5% p.a for credit availed from Kotak Mahindra Bank, calculated on the loan outstanding and are repayable within 90 days from date of availment. These are secured by way of hypothecation charge on the entire stocks, books debts and other current assets both present and in future of the Company on ranking pari passu basis.

Annexure VII - Notes to the Restated Consolidated Financial Information (continued)

Note 17: Other financial liabilities

(Rs. in million)

	31 March 2015 Proforma	31 March 2014 Proforma
Non - Current		
Interest-free security deposits	4.80	3.99
Total(A)	**4.80**	**3.99**
Current		
Current maturities of long-term debt (refer note 16)	43.53	41.71
Creditor for capital goods	7.04	4.13
Accrued salaries and benefits	6.04	5.21
Interest accrued and not due on borrowings	2.56	0.10
Total(B)	**59.17**	**51.15**
Total(A+B)	**63.97**	**55.14**

Note 18: Provisions

(Rs. in million)

	31 March 2015 Proforma	31 March 2014 Proforma
Non - Current		
Provision for employee benefits		
Gratuity (refer note 33)	3.63	3.14
Compensated absences	9.49	3.17
Total(A)	**13.12**	**6.31**
Current		
Provision for employee benefits		
Gratuity (refer note 33)	0.12	0.07
Compensated absences	0.09	0.06
	0.21	0.13
Total(B)	**0.21**	**0.13**
Total(A+B)	**13.33**	**6.44**

Note 19: Other Non current and current Liabilities

(Rs. in million)

	31 March 2015 Proforma	31 March 2014 Proforma
Non Current		
Deferred liability	1.90	1.74
Total(A)	**1.90**	**1.74**
Current		
Advance received from customers	459.41	760.59
Service tax payable	0.02	0.00
Tax deducted at source payable	4.28	2.11

Provident fund payable, employees' state insurance and professional tax payable	0.56	0.34
Deferred Liability	0.49	0.44
Total(B)	**464.76**	**763.48**
Total(A+B)	**466.66**	**765.22**

Note 20: Trade payables

(Rs. in million)

	31 March 2015 Proforma	31 March 2014 Proforma
(a) Total outstanding dues of micro enterprises and small enterprises (refer note 37)	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	121.33	64.64
	121.33	**64.64**

Note 21: Derivatives

(Rs. in million)

	31 March 2015 Proforma	31 March 2014 Proforma
Derivative liabilities	11.60	0.75
	11.60	**0.75**

Note 22: Current tax liabilities (net)

(Rs. in million)

	31 March 2015 Proforma	31 March 2014 Proforma
Current tax liabilities (net)		
Provision for Tax [Net of advance Tax of 31 March 2015: Rs. 261.20, 31 March 2014: Rs. 76.33)]	10.99	1.31
	10.99	**1.31**

Note 23: Revenue from operations

(Rs. in million)

	31 March 2015 Proforma	31 March 2014 Proforma
Sale of products		
Finished goods	14,279.95	13,113.46
Sale of products (gross) (A)	**14,279.95**	**13,113.46**
Break-up of revenue from sale of products		
Gold jewellery	13,637.39	12,699.56
Diamond jewellery and precious/semi precious stones	527.27	342.93
Silver jewellery and articles	41.70	29.38
Platinum jewellery	24.79	11.02
Novelty and accessories	48.80	30.57
	14,279.95	**13,113.46**
Before executing the customer's order, the Company has to perform various acts on such traded goods such as polishing to meet its own standard, hall marking, packaging etc as per customer's requirement. Consequently, keeping in view the nature of industry and vast number of items, it becomes impracticable for such business/the Company to distinguish sale of gold/other products from own manufactured goods and/or traded goods, hence disclosure for the same is not given.		
Sale of services		
Job work income	27.57	24.49
Total (B)	**27.57**	**24.49**
Other operating revenues		
Franchise fees	7.44	8.73
Net gain on account of foreign exchange fluctuation	14.86	33.40
Liabilities no longer required written back	7.88	1.89
Total (C)	**30.18**	**44.02**
Revenue from operations (A+B+C)	**14,337.70**	**13,181.97**

Note 24: Other income

(Rs. in million)

	31 March 2015 Proforma	31 March 2014 Proforma
Interest income under the effective interest method on:		
- interest on fixed deposits with banks	39.80	21.62
- interest income from others	5.41	1.18
- discounting of financial liabilities/provision	0.43	0.33
- unwinding of discount on financial assets	1.97	0.27
Other non operating income	8.29	3.04
	55.90	**26.44**

Note 25: Cost of materials consumed

(Rs. in million)

Annexure VII - Notes to the Restated Consolidated Financial Information (continued)

	31 March 2015 Proforma	31 March 2014 Proforma
Inventory of materials at the beginning of the year	211.42	155.64
Purchases	13,562.01	11,813.65
Inventory of materials at the end of the year	353.69	211.42
	13,419.74	**11,757.87**
Break-up of cost of materials consumed *		
Gold bar	12,833.89	11,728.62
Silver bar	36.26	20.37
Platinum bar	53.74	8.88
Diamond and precious/ semi precious stones	462.43	-
Novelty and accessories	33.42	-
	13,419.74	**11,757.87**
* Raw material consumption is after adjustment for shortage / excess / wastage.		
Break-up of inventory-materials		
Gold bar	344.91	185.19
Silver bar	7.70	22.10
Platinum bar	1.08	0.07
Diamond and precious/ semi precious stones	-	4.06
	353.69	**211.42**

Note 26: Purchase of stock-in-trade

(Rs. in million)

	31 March 2015 Proforma	31 March 2014 Proforma
Gold jewellery	-	**61.62**
Diamond jewellery and precious/semi precious stones	-	**314.39**
Silver jewellery and articles	-	**6.02**
Platinum jewellery	-	**12.60**
Novelty and accessories	-	**19.27**
	-	**413.90**

Annexure VII - Notes to the Restated Consolidated Financial Information (continued)

Note 27: Changes in inventories of finished goods, stock-in-trade and work in progress

(Rs. in million)

	31 March 2015 Proforma	31 March 2014 Proforma
Opening stock		
- Finished goods	2,433.46	2,155.20
- Work in progress	0.24	2.49
Total (A)	**2,433.70**	**2,157.69**
Less: Closing stock		
- Finished goods	3,223.68	2,433.46
- Work in progress	-	0.24
Total (B)	**3,223.68**	**2,433.70**
Net change (A-B)	**(789.98)**	**(276.01)**

(Rs. in million)

	31 March 2015 Proforma	31 March 2014 Proforma
Break-up of inventory - finished goods and work in progress		
Gold jewellery	2,394.50	1,762.57
Diamond jewellery and precious/semi precious stones	724.15	601.38
Silver jewellery and articles	23.35	22.52
Platinum jewellery	70.47	35.41
Novelty and accessories	11.21	11.82
	3,223.68	**2,433.70**

Note 28: Employee benefits expense

(Rs. in million)

	31 March 2015 Proforma	31 March 2014 Proforma
Salaries and bonus	134.07	78.32
Contribution to provident and other funds	2.48	2.51
Staff welfare expenses	6.69	2.46
	143.24	**83.29**

Note 29: Finance costs

(Rs. in million)

	31 March 2015 Proforma	31 March 2014 Proforma
Interest expense on financial liabilities measured at amortised cost:		
on loan and others	207.77	139.53
Unwinding of discount on provisions and financial liabilities	0.37	0.26
	208.14	**139.79**

Note 30: Other expenses

(Rs. in million)

	31 March 2015 Proforma	31 March 2014 Proforma
Job work charges	236.92	185.42
Packing materials consumed	15.58	9.12
Rent [refer Note (i) below]	56.38	20.16
Repairs to:		
- machineries	8.12	3.91

Annexure VII - Notes to the Restated Consolidated Financial Information (continued)

- buildings	2.73	3.87
- others	2.35	1.20
Travelling expenses	7.61	5.21
Electricity charges	16.26	9.33
Legal and professional fees	44.85	11.59
Commission on sales (others)	1.44	1.20
Advertising and sales promotion	261.39	162.75
Bank charges	49.85	46.09
Insurance	13.55	9.45
Loss from commodity trading	8.79	41.05
Rates and taxes	19.94	5.70
Payment to auditors [refer Note (ii) below]	2.26	1.62
Pre-construction Interest - Property at Mumbai	3.29	-
Bad debts	10.61	2.07
Miscellaneous expenses	53.42	28.32
	815.34	**548.06**

(i) Operating Lease

The Company has taken certain premises under cancellable operating leases for a term of 9 to 25 years which are renewed on expiry of the lease tenure at mutually acceptable terms. Lease payments recognised in the Statement of Profit and Loss under Rent amounts to Rs 56.38 (31 March 2014: Rs 20.16).

(ii) Net payment to auditors

Audit Fees		
Statutory audit	1.62	1.20
Tax audit	0.35	0.20
Reimbursement of expenses	0.29	0.22
	2.26	**1.62**

Note 31: Earnings per share

(All amounts in Rs. million, except per share data)

		31 March 2015 Proforma	31 March 2014 Proforma
i.	**(a) Calculation of weighted average number of equity shares of Rs. 10 each for basic earnings per share.**		
	Number of equity shares at the beginning of the year (in million)	17.73	17.73
	Shares issued during the year (in million) #	0.00	-
	Weighted average number of equity shares outstanding during the year for basic EPS (in million)	**53.19**	**53.19**
	Effect of diluted potential equity shares - compulsorily convertible non-cumulative preference shares (in million) #	6.37	-
	Weighted average number of equity shares outstanding during the year for Diluted EPS (in million)	**59.56**	**53.19**
ii.	**Net profit for the year**	**357.62**	**363.71**
	Less: preference dividend	-	-
	Less: tax on Preference dividend	-	-
	Net profit attributable to equity shareholders for calculation of Basic EPS	**357.62**	**363.71**
	Add: preference dividend and taxes thereon	-	-
	Net profit adjusted for the effects of diluted potential equity shares for calculation of Diluted EPS	**357.62**	**363.71**
iii.	**Basic Earnings per share of face value of Rs 10 each**	**6.72**	**6.84**
iv.	**Diluted Earnings per share of face value of Rs 10 each**	**6.00**	**6.84**

Notes:

As per Ind AS 33 - Earnings Per Share, if the number of ordinary or potential ordinary shares outstanding increases as a result of bonus issue, the calculation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively. If these changes occur after the reporting period but before the financial statements are approved for issue, the per share calculations for those and any prior period financial statements presented shall be based on the new number of shares.

The Board of Directors at its meeting held on 3 March 2018 had recommended issue of bonus shares, subject to the approval of shareholders in their general meeting, in the ratio of two equity shares of Rs. 10 each for every one equity share of Rs. 10 each and two compulsorily convertible non-cumulative preference shares of Rs. 10 each for every one compulsorily convertible non-cumulative preference share of Rs. 10 each of the Company as held by the shareholders as on the record date. The issue of bonus shares was approved by the shareholders of the Company in the Extra Ordinary General Meeting held on 28 March 2018, by way of special resolution, and accordingly, the Company has allotted 35,457,408 equity shares of Rs. 10 each and 8,864,102 compulsorily convertible non-cumulative preference shares of Rs. 10 each on 6 May 2018 to their shareholders. The earning per share (both basic and diluted) for the year ended 31 March 2015 and 31 March 2014 have been calculated after adjustments of the number of bonus shares issued as explained above.

100 equity shares of Rs. 10 each and 4,432,051 compulsorily convertible non-cumulative preference shares of Rs. 10 each were issued on 8 October 2014. Weighted average number of equity shares outstanding during the year ended 31 March 2015 for basic and diluted EPS has been calculated on pro-rata basis.

Note 32: Dividend on Equity Share and Instruments entirely equity in nature (Rs. in million)

		31 March 2015 Proforma	31 March 2014 Proforma
a.	**Dividend on equity shares declared and paid during the year**		
	Interim dividend (31 March 2014 - Rs. 2.50 per share)	-	44.32
	Dividend distribution tax on interim dividend	-	7.53
		-	**51.85**
b.	**Proposed dividend on equity shares not recognised as liability**		
	Proposed dividend (31 March 2015 - Re. 1 per share)	22.17	-
		22.17	**-**
c.	**Payout ratio**		
	Proposed dividend on shares are subject to the approval of the shareholders of the Company at the Annual General Meeting and not recognised as liability as at the Balance Sheet date.		

33. Assets and Liabilities relating to employee benefits

(Rs. in million)

	31 March 2015 Proforma	31 March 2014 Proforma
Net defined benefit asset - Gratuity Plan (A)	3.29	-
Net defined benefit obligation - Gratuity Plan (B)	7.04	3.21
Liability recognised in Balance Sheet (A-B)	**(3.75)**	**(3.21)**
Non-current	3.63	3.14
Current	0.12	0.07
	3.75	**3.21**

For details about the related employee benefits expenses, refer note 28.

Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of profit and loss as they accrue The amount recognised as an expense towards contribution to Provident and Pension Fund for the year aggregated to Rs. 3.57 million (previous year: Rs. 1.71 million)

Defined benefit plans

The Company operates one post-employment defined benefit plans for gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days basic salary for each year of completed service at the time of retirement/exit. Gratuity scheme is funded by the plan assets.

These defined benefit plans expose the Company to actuarial risks, such as currency risk, interest risk and market (investment) risk.

Inherent risk

The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risk pertaining to the plan. In particular, this exposes the Company, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity risk.

The following tables analyse present value of defined benefit obligations, expense recognised in Statement of Profit and Loss, actuarial assumptions and other information.

Reconciliation of the net defined benefit (asset)/ liability:

		31 March 2015 Proforma	31 March 2014 Proforma
(I)	**Reconciliation of present value of defined benefit obligation**		
	(a) Balance at the beginning of the year	3.21	2.43
	(b) Current service cost	2.02	0.71
	(c) Interest cost	0.26	0.22
	(d) Actuarial (gains)/ losses recognised in other comprehensive income		
	- change in financial assumptions	2.72	-
	- experience adjustments	(1.17)	(0.15)
	Balance at the end of the year	**7.04**	**3.21**
(II)	**Reconciliation of present value of plan assets**		
	(a) Balance at the beginning of the year	-	-

	(b) Employer contributions	3.66	-
	(c) Benefits paid	(0.37)	-
	Balance at the end of the year	**3.29**	**-**
(III)	**Net asset/ (liability) recognised in the Balance Sheet**		
	(a) Present value of defined benefit obligation	(7.04)	(3.21)
	(b) Fair value of plan assets	3.29	-
	Net defined benefit obligations in the Balance Sheet	**(3.75)**	**(3.21)**
(IV)	**Expense recognised in Statement of Profit or Loss**		
	(a) Current service costs	2.02	0.71
	(b) Interest costs	0.26	0.22
	Expense recognised in the Statement of Profit and Loss	**2.28**	**0.93**
(V)	**Remeasurements recognised in Other Comprehensive Income**		
	(a) Actuarial gain / (loss) on defined benefit obligation	**1.55**	**(0.15)**
	Amount recognised in Other Comprehensive Income	**1.55**	**(0.15)**
(VI)	**Plan assets**		
	Plan assets comprise of the following:		
	(a) Invested with Life Insurance Corporation of India	**3.29**	**-**
(VII)	**Actuarial assumptions**		
	Principal actuarial assumptions at the reporting date (expressed as weighted averages)		
	(a) Discount rate	8%	9%
	(b) Expected rate of return on Plan Assets	8%	9%
	(c) Future salary growth	10%	10%
	(d) Attrition rate	12%	12%
	(e) Retirement age (years)	60	60

Assumptions regarding future mortality experience are set in accordance with the published rates under Indian Assured Lives Mortality (2006-08) Ultimate.

The estimates of future salary increases considered in actuarial valuation takes into account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Discount rate is based on the prevailing market yield of Indian Government securities as at the year end for the estimated term of the obligation.

(VIII) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below:

	31 March 2015 Proforma		31 March 2014 Proforma	
	Increase	**Decrease**	**Increase**	**Decrease**
(a) Discount rate (0.50% movement)	0.54	(0.60)	0.23	(0.25)
(b) Future salary growth (0.50% movement)	(0.52)	0.48	(0.24)	0.21
(c) Attrition rate (0.50% movement)	(0.03)	0.03	(0.02)	0.02
(d) Mortality rate (10% movement)	(0.05)	0.05	(0.02)	0.02

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions as shown.

Note 34: Related Party Transactions

As per the Indian Accounting Standards - “Related Party Disclosures” (Ind AS 24) the following disclosures are made:

A. Names of related parties and description of relationship:

Nature of the relationship	Name of the party
Key management personnel (‘KMP’)	Mr. Sankar Sen, Managing director
	Mr. Suvankar Sen, Executive Director
	Mrs. Tapashi Mullick, Non-Executive Director(upto 20 January 2015)
	Mrs. Arpita Dey, Non-Executive Director (upto 28 March 2015)
	Mr. Vishal Satinder Sood, Nominee Director (from 8 October 2014 to 23 July 2018)
	Mr. Debabrata Sarkar, Independent Director (from 20 January 2015 to 23 July 2018)
	Mr.Dipankar Chatterji .Independent Director (from 28 March 2015 to 12 January 2017)
	Mrs. Ranjana Sen, Non-Executive Director (upto 31 March 2018)
	Mr. Surendra Gupta, Company Secretary (from 22 May 2013)
	Mr. Sabyasachi Gooptu, Chief Financial Officer (from 15 September 2014 to 9 October 2015)
Relatives of key management personnel	Mrs. Joita Sen, wife of Suvankar Sen
Wholly owned Subsidiary	Senco Gold Impex Private Limited (merged with effect from 1 April 2013)
	Addyashakti Properties Private Limited (merged with effect from 1 April 2015)
Enterprises controlled by key management personnel or their relatives	Mangoe Construction Private Limited
	Senco Infrastructure Private Limited
	Senco Gold Limited Employee Group Gratuity Trust Fund (w.e.f 29 February 2015)

B. Transactions with Key Managerial Personnel

Compensation of the key managerial personnel includes salaries and contribution to post-employment defined benefit plan.*

(Rs. in million)

Nature of transaction	31 March 2015 Proforma	31 March 2014 Proforma
Short term employee benefits	26.85	14.03

*The managerial remuneration does not include gratuity and leave encashment benefits which are actuarially determined on an overall basis for the Company and individual information in respect of the directors is not available.

C. Transactions with Key Managerial Personnel including Directors

(Rs. in million)

Nature of transaction	Note	Transaction Value	
		31 March 2015 Proforma	31 March 2014 Proforma
Rent paid	(i)	0.41	0.23
Director Sitting Fees	(ii)	0.03	-
Dividend Paid	(iii)	17.73	44.32

(i) Rent paid for the premises at Chitpur to Mr. Sankar Sen and Godown rent to Mr. Suvankar Sen.

Annexure VII - Notes to the Restated Consolidated Financial Information (continued)

(ii) Sitting fees paid to Mr. Dipankar Chatterjee, Mr. Debabrata Sarkar and Mr. Atanu Sen for attending the meeting.

(iii) Dividend paid to equity shareholders.

(Rs. in million)

Particulars	Balance outstanding	
	31 March 2015 Proforma	31 March 2014 Proforma
Loan from directors	(2.00)	(2.00)

D. Related Party Transactions other than those with key management personnel

(Rs. in million)

Nature of transaction	Transaction Value	
	31 March 2015 Proforma	31 March 2014 Proforma
Rent paid to Mangoe Construction Private Limited	7.21	10.07
Maintenance and Licensee Fee paid to Mangoe Construction Private Limited	7.44	8.51
Advance rent paid to Mangoe Construction Private Limited	-	1.09
Advance adjusted against Rent	1.09	-
Loan given to Senco Infrastructure Private Limited	-	0.83
Loan repaid	-	0.83
Security deposit given to Mangoe Construction Private Limited	5.72	-
Advances given to Senco Infrastructure Private Limited	0.12	-
Advances repaid	0.12	-

(Rs. in million)

Particulars	Balance outstanding	
	31 March 2015 Proforma	31 March 2014 Proforma
Receivables / (payables)	-	1.09
Security deposit given	5.72	-
Investments	2.00	2.00

Annexure VII - Notes to the Restated Consolidated Financial Information (continued)

Note 35: Operating segments

A. Basis for segmentation

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's Chief operating decision maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

The Company is engaged primarily in the business of buying, selling, remodeling, manufacturing of ornaments and articles made of gold, silver, platinum and other precious and semi precious stones and allied materials, in domestic as well as international market. The performance of the Company is assessed and reviewed by the CODM as a single operating segment and accordingly sale of gold jewellery and other articles is the only operating segment.

(Rs. in million)

Particulars	31 March 2015 Proforma	31 March 2014 Proforma
Segment Revenue		
India	12,637.20	10,233.84
Outside India	1,670.32	2,904.11
Total Segment Revenue	**14,307.52**	**13,137.95**

(Rs. in million)

Particulars	31 March 2015 Proforma	31 March 2014 Proforma
Carrying Amount of Non-current assets*		
India	912.81	696.11
Outside India	-	-
Total Non-current assets*	**912.81**	**696.11**

* It does not includes financial assets and deferred tax assets (net).

(Rs. in million)

Particulars	31 March 2015 Proforma	31 March 2014 Proforma
Capital expenditure during the year		
India	117.40	118.12
Outside India	-	-
Total Capital Expenditure	**117.40**	**118.12**

B. There is no single customer contributing 10% or more of the total revenue of the Group in any of the years mentioned in A above.

Note 36: Contingent liabilities and commitments
(to the extent not provided for)

(i) Contingent liabilities

	31 March 2015 Proforma	31 March 2014 Proforma
Claims against the Company not acknowledged as debts :		
Income Tax demands (under appeal)	71.18	31.07
Sales tax/VAT matters (under dispute/appeal)	3.03	3.03
Central Excise (under dispute/appeal)	9.33	9.33

The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business including litigation before tax authorities and including matters mentioned above. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the claimants or the Company, as the case may be, and therefore cannot be predicted accurately. The Company engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such disputes. The Management believes that it has a reasonable case in its defence of the proceedings and accordingly no further provision is required.

(ii) Commitments

	31 March 2015 Proforma	31 March 2014 Proforma
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advance)	4.64	12.56

(iii) A search and seizure operation was conducted by the Income Tax department on December 20, 2016 u/s 132 of the Income Tax Act, 1961. The Income Tax Department has issued notices u/s 153A dated 31 October 2017 and u/s 142(1) dated 5 March 2018 for the assessment years 2011-2012 to 2017-2018. In compliance to these notices u/s 153A, the company has filed the return of Income for the respective assessment years. No further personal hearings has happened with the tax authorities. Based on the search, the Deputy Director of Income Tax (Investigation), Unit-2(1), Kolkata, has filed a criminal complaint against the Company and some of the Key Management Personnel under section 277A of the Income Tax Act, 1961. Based on the facts of the matter and an independent assessment done by the Company, it does not foresee any material financial liability on this account and accordingly no adjustments have been made in these financial statements.

Note 37: Dues to micro and small enterprises as per MSMED Act, 2006

(Rs. in million)

Particulars	31 March 2015 Proforma	31 March 2014 Proforma
(a) The amounts remaining unpaid to micro and small suppliers as at the end of the year		
-Principal	-	-
-Interest	-	-

(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Note 38: Transfer Pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Section 92-92F of the Income - Tax Act, 1961. Since the law requires the existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation of the domestic transactions entered into with the associated enterprises during the assessment year and expects such records to be in existence latest by due date as required under law. The management is of the opinion that its domestic transaction are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

Note 39: Financial instruments - fair values and risk management

A. Accounting classification and fair values (Rs. in million)

	31 March 2015 Proforma				31 March 2014 Proforma				Fair value level
Financial instruments by category	**Amortised Cost**	**FVTPL**	**FVOCI**	**Total**	**Amortised Cost**	**FVTPL**	**FVOCI**	**Total**	
Financial Assets									
Investments (Refer note 1 below)	-	-	0.10	0.10	-	-	0.10	0.10	Level 3
Loans	66.25	-	-	66.25	18.57	-	-	18.57	
Trade receivables	436.87	-	-	436.87	523.49	-	-	523.49	
Cash and cash equivalents	132.56	-	-	132.56	498.38	-	-	498.38	
Bank balances other than above	243.58	-	-	243.58	170.16	-	-	170.16	
Other financial assets	145.64	-	-	145.64	41.88	-	-	41.88	
Total Financial Assets	**1,024.90**	**-**	**0.10**	**1,025.00**	**1,252.48**	**-**	**0.10**	**1,252.58**	
Financial Liabilities									
Borrowings	2,078.32	-	-	2,078.32	2,074.31	-	-	2,074.31	
Trade payables	121.33	-	-	121.33	64.64	-	-	64.64	
Derivatives	-	11.60	-	11.60	-	0.75	-	0.75	Level 2
Other financial liabilities	63.97	-	-	63.97	55.14	-	-	55.14	
Total Financial Liabilities	**2,263.62**	**11.60**	**-**	**2,275.22**	**2,194.09**	**0.75**	**-**	**2,194.84**	

Notes

1. Investments in subsidiary classified as equity investments have been accounted at historical cost. Since these are scoped out of Ind AS 109, Financial Instruments, for the purposes of measurement, the same have not been disclosed in the tables above. Investments in unquoted equity shares of entities other than subsidiaries have been designated as FVOCI.

2. The fair valuation of Derivative financial assets and liabilities are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

3. The carrying amounts of financial assets and liabilities other than those valued at Level 2 and Level 3 are considered to be the same as their fair values due to the current and short term nature of such balances and no material differences in the values.

B. Level 3 fair values. Movement in the values of unquoted equity instruments

(Rs. in million)

Particulars	**2015 Proforma**	**2014 Proforma**
Opening balance	0.10	0.10

Equity instruments through OCI - net change in fair value	-	-
Closing balance	**0.10**	**0.10**

C. Measurement of fair values

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(Rs. in million)

Note 39: Financial instruments - fair values and risk management (continued)

D. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

(i) Credit risk
(ii) Liquidity risk
(iii) Market risk

Risk management framework

The Company's principal financial liabilities includes borrowings, trade payable and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivables, cash and cash equivalents, other bank balances and other financial assets that derive directly from its operations.

The Company's activities expose it to credit risk, liquidity risk and market risk. The Company's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to customers, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Trade receivables

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due to the Company causing financial loss. It arises from cash and cash equivalents, deposits with banks and financial institutions, security deposits, loans given and principally from credit exposures to customers relating to outstanding receivables. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at reporting date. The Company continuously monitors defaults of customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls.

In respect of trade and other receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any company of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various geographical areas. The Company has very limited history of customer default, and considers the credit quality of trade receivables that are not past due or impaired to be good.

Annexure VII - Notes to the Restated Consolidated Financial Information (continued)

The credit risk for cash and cash equivalents, bank deposits, loans and derivative financial instruments is considered negligible, since the counterparties are reputable organisations with high quality external credit ratings.

(Rs. in million)

	less than 60 days	from 61 to 90 days	from 91 to 180 days	from 180 to 365 days	more than 365 days	Total
As at 31 March 2015	228.44	139.14	64.55	2.76	2.16	437.05
As at 31 March 2014	362.26	2.45	158.93	0.03	-	523.67

(ii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's finance team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

(Rs. in million)

		Contractual cashflows			
31 March 2015 Proforma	**Carrying amount**	**Total**	**Less than 1 year**	**1 - 2 'years**	**More than '2 years**
Borrowings	2,078.32	2,078.32	1,927.85	150.47	-
Trade payables	121.33	121.33	121.33	-	-
Derivative liabilities	11.60	11.60	11.60	-	-
Other financial liabilities	63.97	63.97	59.17	-	4.80
	2,275.22	**2,275.22**	**2,119.95**	**150.47**	**4.80**

(Rs. in million)

		Contractual cashflows			
31 March 2014 Proforma	**Carrying amount**	**Total**	**Less than 1 year**	**1 - 2 years**	**More than 2 years**
Borrowings	2,074.31	2,074.31	1,880.15	194.16	-
Trade payables	64.64	64.64	64.64	-	-
Derivative liabilities	0.75	0.75	0.75	-	-
Other financial liabilities	55.14	55.14	51.15	-	3.99
	2,194.84	**2,194.84**	**1,996.69**	**194.16**	**3.99**

(iii) Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(a) Currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency.

(Rs. in million)

Exposure to currency risk	Currency	31 March 2015 Proforma	31 March 2014 Proforma
Trade receivables	USD (in million)	5.82	8.34
	INR	363.99	501.37
Trade payables	USD (in million)	-	-
	INR	-	-
Net exposure in respect of recognised financial assets and liabilities	**USD (in million)**	**5.82**	**8.34**
	INR	**363.99**	**501.37**

Sensitivity analysis

A reasonably possible strengthening /weakening of the Indian Rupee against US dollars at 31 March would have affected the measurement of financial instruments denominated in US dollars and affects profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(Rs. in million)

Particulars	Profit or loss		Equity (net of tax)	
	31 March 2015 Proforma	31 March 2014 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
INR/USD strengthening [5% movement (previous year 5%)]	18.20	25.07	12.01	16.55
INR/USD weakening [5% movement (previous year 5%)]	(18.20)	(25.07)	(12.01)	(16.55)

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's long term and short term borrowing with floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

The interest rate profile of the Company 's interest bearing financial instruments at the end of the reporting period are as follows:

Senco Gold Limited

Annexure VII - Notes to the Restated Consolidated Financial Information (continued)

(Rs. in million)

Particulars	**31 March 2015 Proforma**	**31 March 2014 Proforma**
Fixed rate instruments		
Financial assets	369.44	323.31
Financial liabilities	(88.06)	(100.77)
	281.38	**222.54**
Variable rate instruments		
Financial assets	-	-
Financial liabilities	(2,031.79)	(2,013.25)
	(2,031.79)	**(2,013.25)**

Sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

A reasonably possible change of 100 basis points in variable rate instruments at the reporting dates would have increased or decreased profit or loss by the amounts shown below:

(Rs. in million)

Particulars	**Profit or loss**		**Equity (net of tax)**	
	31 March 2015 Proforma	**31 March 2014 Proforma**	**31 March 2015 Proforma**	**31 March 2014 Proforma**
Variable rate instruments - increase by 100 basis points (1%)	(20.32)	(20.13)	(13.41)	(13.29)
Variable rate instruments - decrease by 100 basis points	20.32	20.13	13.41	13.29

The sensitivity analysis above has been determined for borrowings assuming the amount of borrowings outstanding at the end of the reporting period was outstanding for the whole year.

Senco Gold Limited

Annexure VII - Notes to the Restated Consolidated Financial Information (continued)

Note 39: Financial instruments - fair values and risk management (continued)

E. Hedging activity and derivatives

Fair value hedge of gold price risk in inventory

The Company enters into contracts to purchase gold wherein the Company has the option to fix the purchase price based on market price of gold during a stipulated time period. The prices are linked to gold prices. Accordingly, these contracts are considered to have an embedded derivative (represented in the said option to fix the price) that is required to be separated from the host contract which is the gold loan liability. Such feature is kept to hedge against exposure in the value of inventory of gold due to volatility in gold prices. The Company designates the embedded derivative in the payable for such purchases as the hedging instrument in fair value hedging of inventory. The carrying value of inventory which are designated under fair value hedge relationship are measured at fair value at each reporting date.

Disclosure of effects of fair value hedge accounting on financial position:
Hedged item - Changes in fair value of inventory attributable to change in gold prices
Hedging instrument - Changes in fair value of the option to fix prices of gold purchases, as described above

As at 31 March 2015 Proforma (Rs. in million)

Commodity price risk	Carrying amount of hedge item		Carrying amount of hedging instrument		Maturity date	Balance sheet classification	Impact of change in fair value relating to the hedged risk (spot)
	Assets	Liabilities	Assets	Liabilities			
Hedged item - inventory of gold	911.91	-	NA	NA	Range - with in six to nine months	Inventories	2.41
Hedging instrument - option to fix gold price	NA	NA	-	11.60	Range - with in six to nine months	Derivatives	2.41

As at 31 March 2014 Proforma (Rs. in million)

Commodity price risk	Carrying amount of hedge item		Carrying amount of hedging instrument		Maturity date	Balance sheet classification	Impact of change in fair value relating to the hedged risk (spot)
	Assets	Liabilities	Assets	Liabilities			
Hedged item - inventory of gold	187.87	-	NA	NA	Range - with in six to nine months	Inventories	0.52
Hedging instrument - option to fix gold price	NA	NA	-	0.75	Range - with in six to nine months	Derivatives	0.52

Note 40: Capital management

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure the Company monitors the return on capital, as well as the level of dividends to equity shareholders. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. For the purpose of the Company's capital management, capital includes issued equity share capital, instruments entirely equity in nature and all other equity reserves attributable to the equity holders and debt includes borrowings.

The Company monitors capital on the basis of the following gearing ratio. (Rs. in million)

Particulars	31 March 2015 Proforma	31 March 2014 Proforma
Total debt (Bank and other borrowings)	2,121.85	2,116.02
Equity	2,798.96	1,642.58
Debt to equity ratio	**0.76:1**	**1.29:1**

Note 41: Statement of Net Assets and Profit or Loss attributable to owners and minority interest

Sl. No.	Name of the entity	Net assets, i.e., total assets minus total liabilities				Share in Profit or Loss			
		31 March 2015 Proforma		31 March 2014 Proforma		31 March 2015 Proforma		31 March 2014 Proforma	
		As % of Consolidated Net Asset	Rs. in million	As % of Consolidated Net Asset	Rs. in million	As % of Consolidated Total Comprehensive income	Rs. in million	As % of Consolidated Total Comprehensive income	Rs. in million
A	**Holding company**								
	Senco Gold Limited	100.08%	2,801.33	100.03%	1,643.14	100.51%	358.42	100.05%	364.01
B	**Subsidiary**								
	Addyashakti Properties Private Limited	-0.01%	(0.37)	0.09%	1.44	-0.51%	(1.81)	-0.05%	(0.20)
C	**Adjustment due to consolidation**	-0.07%	(2.00)	-0.12%	(2.00)	0.00%	-	0.00%	-
			2,798.96		**1,642.58**		**356.61**		**363.81**

Note 42:

The management of Subsidiary is of the opinion that considering the market value of the investments made by the Subsidiary and the certainty of the rental income being received by the Subsidiary, the Subsidiary shall remain a going concern inspite of its net worth being (Rs. 0.37) million as on 31 March 2015. Hence, the accounts of Subsidiary are prepared on going concern basis for the year ended 31 March 2015.

Note 43: First-time adoption of Ind AS

First Time Adoption of IND AS

The Group had prepared the financial statements for the year ended 31 March 2015 in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act and financial statements for the years ended 31 March 2014 in accordance with Accounting standards prescribed under Section 211 (3C) of the Companies Act, 1956 read with the Companies Accounting Standard Rules (2006) (collectively "Previous GAAP"). The Restated Consolidated Financial Information for these years has been prepared as per the Guidance Note on Reports in Company Prospectuses (Revised 2016), issued by the Institute of Chartered Accountants of India, by appropriately adjusting amounts reported under Previous GAAP based on requirements of Ind AS. The Group has followed the same accounting policy choice as followed in the Restated Standalone Financial Information for the financial years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, and also as initially adopted on transition date i.e. 1 April 2016, while preparing Restated Consolidated Financial Information for the years ended 31 March 2015 and 31 March 2014.

This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with Previous GAAP and how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

A. Optional Exemptions from retrospective application

Ind AS 101 permits first-time adopters certain exemptions from retrospective application of certain requirements under Ind AS. The Company has elected to apply the following optional exemptions from retrospective application -

(i) Deemed cost for property, plant and equipment and intangible assets

As per Ind AS 101 an entity may elect to:

(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date

(ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of revaluation, provided the revaluation was, at the date of revaluation, broadly comparable to:

- fair value
- or cost or depreciated cost under Ind AS adjusted to reflect.

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets also. There is no decommissioning liabilities to be incurred by the Company relating to property, plant and equipment.

(ii) Designation of previously recognised financial instruments

Ind AS 101 permits an entity to designate particular equity investments (other than equity investments in subsidiaries) as at fair value through other comprehensive income (FVOCI) based on facts and circumstances at the date of transition to Ind AS (rather than at initial recognition). Other equity investments are classified at fair value through profit or loss (FVTPL).

The Company has opted to avail this exemption to designate certain equity investments as FVOCI on the date of transition i.e. 1 April 2016.

(iii) Fair value measurement of financial assets or liabilities at initial recognition

The Company has applied the requirements of Ind AS 109, “Financial Instruments: Recognition and Measurement”, wherever applicable.”

B. Mandatory exceptions

(i) Estimates

As per Ind AS 101, an entity’s estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity’s first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error.

However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company’s estimates under Ind AS are consistent with the above requirement.

(ii) Derecognition of financial assets and liabilities

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the derecognition principles of Ind AS 109 prospectively.

(iii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

Annexure VII - Notes to the Restated Consolidated Financial Information (continued)

Note 43: First-time adoption of Ind AS (continued)
C. Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity and total comprehensive income for prior periods. The following table represents the equity reconciliation from previous GAAP to Ind AS:

Reconciliation of equity as at 31 March 2015 (Rs. in million)

Particulars	Notes	Previous GAAP*	Ind AS Adjustments	Ind AS	Restatement adjustments	Restated Ind AS
ASSETS						
Non-current assets						
Property, plant and equipment		432.54	-	432.54	-	432.54
Capital work-in-progress		129.57	-	129.57	-	129.57
Investment Property		229.92	-	229.92	-	229.92
Intangible assets		8.03	-	8.03	-	8.03
Financial assets						
Investments	F - (a)	0.01	0.09	0.10	-	0.10
Loans	F - (b)	109.29	(52.24)	57.05	-	57.05
Other financial assets		125.85	-	125.85	-	125.85
Deferred tax assets (net)		10.41	3.41	13.82	(0.12)	13.70
Non-current tax assets (net)		38.77	-	38.77	-	38.77
Other non-current assets	F - (b)	30.51	43.47	73.98	-	73.98
Total non-current assets		**1,114.90**	**(5.27)**	**1,109.63**	**(0.12)**	**1,109.51**
Current assets						
Inventories	F - (c)	3,586.56	(9.19)	3,577.37	-	3,577.37
Financial assets				-		
Trade receivables		449.56	-	449.56	(12.69)	436.87
Cash and cash equivalents		132.56	-	132.56	-	132.56
Bank balances other than above		243.58	-	243.58	-	243.58
Loans		9.20	-	9.20	-	9.20
Other financial assets		19.79	-	19.79	-	19.79
Other current assets	F - (b)	29.10	7.18	36.28	-	36.28
		4,470.35	(2.01)	4,468.34	(12.69)	4,455.65
Total current assets		**4,470.35**	**(2.01)**	**4,468.34**	**(12.69)**	**4,455.65**
Total assets		**5,585.25**	**(7.28)**	**5,577.97**	**(12.81)**	**5,565.16**
EQUITY AND LIABILITIES						
Equity						
Equity share capital		177.29	-	177.29	-	177.29
Instruments entirely equity in nature		44.32	-	44.32	-	44.32
Other equity	F - (a, b, c, d,e,f)	2,556.97	20.14	2,577.11	0.24	2,577.35
Total equity		**2,778.58**	**20.14**	**2,798.72**	**0.24**	**2,798.96**
Liabilities						
Non-current liabilities						
Financial liabilities						

Annexure VII - Notes to the Restated Consolidated Financial Information (continued)

Borrowings	F - (d)	150.81	(0.34)	150.47	-	150.47
Other financial liabilities	F - (e)	7.51	(2.71)	4.80	-	4.80
Provisions		13.12	-	13.12	-	13.12
Other Non current liabilities	F - (e)	-	1.90	1.90	-	1.90
Total non-current liabilities		**171.44**	**(1.15)**	**170.29**	**-**	**170.29**
Current liabilities						
Financial liabilities						
Borrowings	F - (c)	1,939.45	(11.60)	1,927.85	-	1,927.85
Trade payables		121.33	-	121.33	-	121.33
Derivatives	F - (c)	-	11.60	11.60	-	11.60
Other financial liabilities	F - (d)	59.24	(0.07)	59.17	-	59.17
Other current liabilities	F - (e)	477.33	0.48	477.81	(13.05)	464.76
Provisions	F - (f)	26.89	(26.68)	0.21	-	0.21
Current tax liabilities (net)		10.99	-	10.99	-	10.99
Total current liabilities		**2,635.23**	**(26.27)**	**2,608.96**	**(13.05)**	**2,595.91**
Total liabilities		**2,806.67**	**(27.42)**	**2,779.25**	**(13.05)**	**2,766.20**
Total equity and liabilities		**5,585.25**	**(7.28)**	**5,577.97**	**(12.81)**	**5,565.16**

*Previous GAAP numbers have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Reconciliation of equity as at 31 March 2014

Particulars	Notes	Previous GAAP*	Ind AS Adjustments	Ind AS	Restatement adjustments	Restated Ind AS
ASSETS						
Non-current assets						
Property, plant and equipment		380.33	-	380.33	-	380.33
Capital work-in-progress		19.09	-	19.09	-	19.09
Investment Property		229.92	-	229.92		229.92
Intangible assets		8.25	-	8.25	-	8.25
Financial assets						
Investments	F - (a)	0.01	0.09	0.10	-	0.10
Loans	F - (b)	12.63	(5.82)	6.81	-	6.81
Other financial assets		33.15	-	33.15	-	33.15
Deferred tax assets (net)		-	-	-	-	-
Non-current tax assets (net)		37.65	-	37.65	-	37.65
Other non-current assets	F - (b)	18.59	2.28	20.87	-	20.87
Total non-current assets		**739.62**	**(3.45)**	**736.17**	-	**736.17**
Current assets						
Inventories	F - (c)	2,645.34	(0.22)	2,645.12	-	2,645.12
Financial assets				-		
Trade receivables		525.57	-	525.57	(2.08)	523.49
Cash and cash equivalents		498.38	-	498.38	-	498.38
Bank balances other than above		170.16	-	170.16	-	170.16
Loans		11.76	-	11.76	-	11.76
Other financial assets		8.73	-	8.73	-	8.73
Other current assets	F - (b)	20.47	3.19	23.66	-	23.66
		3,880.41	2.97	3,883.38	(2.08)	3,881.30
Total current assets		**3,880.41**	**2.97**	**3,883.38**	**(2.08)**	**3,881.30**
Total assets		**4,620.03**	**(0.48)**	**4,619.55**	**(2.08)**	**4,617.47**
EQUITY AND LIABILITIES						
Equity						
Equity share capital		177.29	-	177.29	-	177.29
Other equity	F - (a, b, c, d,e,f)	1,463.19	0.07	1,463.26	2.03	1,465.29
Total equity		**1,640.48**	**0.07**	**1,640.55**	**2.03**	**1,642.58**
Liabilities						
Non-current liabilities						
Financial liabilities						
Borrowings	F - (d)	194.37	(0.21)	194.16	-	194.16
Other financial liabilities	F - (e)	6.41	(2.42)	3.99	-	3.99
Provisions		6.31	-	6.31	-	6.31
Deferred tax liabilities (Net)		6.04	(0.02)	6.02	1.06	7.08
Other Non current liabilities	F - (e)	-	1.74	1.74	-	1.74

Annexure VII - Notes to the Restated Consolidated Financial Information (continued)

Total non-current liabilities		**213.13**	**(0.91)**	**212.22**	**1.06**	**213.28**
Current liabilities						
Financial liabilities						
Borrowings	F - (c)	1,880.90	(0.75)	1,880.15	-	1,880.15
Trade payables		64.64	-	64.64	-	64.64
Derivatives	F - (c)	-	0.75	0.75	-	0.75
Other financial liabilities	F - (d)	51.23	(0.08)	51.15	-	51.15
Other current liabilities	F - (e)	768.21	0.44	768.65	(5.17)	763.48
Provisions	F - (f)	0.13	-	0.13	-	0.13
Current tax liabilities (net)		1.31	-	1.31	-	1.31
Total current liabilities		**2,766.42**	**0.36**	**2,766.78**	**(5.17)**	**2,761.61**
Total liabilities		**2,979.55**	**(0.55)**	**2,979.00**	**(4.11)**	**2,974.89**
Total equity and liabilities		**4,620.03**	**(0.48)**	**4,619.55**	**(2.08)**	**4,617.47**

*Previous GAAP numbers have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Annexure VII - Notes to the Restated Consolidated Financial Information (continued)

Note 43: First-time adoption of Ind AS (continued)
D. Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity and total comprehensive income for prior periods. The following table represents the total comprehensive income reconciliation from previous GAAP to Ind AS:

Reconciliation of total comprehensive income for the year 2014-15 (Rs. in million)

Particulars	Notes	Previous GAAP*	Ind AS Adjustments	Ind AS	Restatement adjustments	Restated Ind AS
Revenue from operations		14,329.82	-	14,329.82	7.88	14,337.70
Other income	F - (b,e)	53.50	2.40	55.90	-	55.90
Total income		**14,383.32**	**2.40**	**14,385.72**	**7.88**	**14,393.60**
Expenses						
Cost of materials consumed	F - (c)	13,418.54	1.20	13,419.74	-	13,419.74
Purchases of stock in trade		-	-	-	-	-
Changes in inventories of finished goods, stock in trade and work in progress	F - (c)	(797.74)	7.76	(789.98)	-	(789.98)
Employee benefit expense	F - (g)	144.79	(1.55)	143.24	-	143.24
Finance costs	F - (d, e)	207.88	0.26	208.14	-	208.14
Depreciation and amortisation expense		65.08	-	65.08	-	65.08
Other expenses	F - (b)	801.56	3.18	804.74	10.60	815.34
Total expenses		**13,840.11**	**10.85**	**13,850.96**	**10.60**	**13,861.56**
Profit before tax		**543.21**	**(8.45)**	**534.76**	**(2.72)**	**532.04**
Income tax expense						
-Current tax		194.55	-	194.55	-	194.55
-Deferred tax		(16.34)	(2.86)	(19.20)	(0.93)	(20.13)
Total tax expense		**178.21**	**(2.86)**	**175.35**	**(0.93)**	**174.42**
Profit for the year (A)		**365.00**	**(5.59)**	**359.41**	**(1.79)**	**357.62**
Other comprehensive income						
Items that will not be reclassified subsequently to the statement of profit or loss						
Remeasurements of the net defined benefit obligation	F - (g)	-	(1.55)	(1.55)	-	(1.55)
Income tax relating to these items		-	0.54	0.54	-	0.54
Other comprehensive income for the year (B)		-	**(1.01)**	**(1.01)**	-	**(1.01)**
Total comprehensive income for the year (A+B)		**365.00**	**(6.60)**	**358.40**	**(1.79)**	**356.61**

Annexure VII - Notes to the Restated Consolidated Financial Information (continued)

*Previous GAAP numbers have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Reconciliation of total comprehensive income for the year 2013-14 (Rs. in million)

Particulars	Notes	Previous GAAP*	Ind AS Adjustments	Ind AS	Restatement adjustments	Restated Ind AS
Revenue from operations		13,180.33	-	13,180.33	1.64	13,181.97
Other income	F - (b,e)	25.85	0.59	26.44	-	26.44
Total income		**13,206.18**	**0.59**	**13,206.77**	**1.64**	**13,208.41**
Expenses						
Cost of materials consumed	F - (c)	11,757.78	0.09	11,757.87	-	11,757.87
Purchases of stock in trade		413.90	-	413.90	-	413.90
Changes in inventories of finished goods, stock in trade and work in progress	F - (c)	(276.82)	0.81	(276.01)	-	(276.01)
Employee benefit expense	F - (g)	83.14	0.15	83.29	-	83.29
Finance costs	F - (d, e)	139.45	0.34	139.79	-	139.79
Depreciation and amortisation expense		29.32	-	29.32	-	29.32
Other expenses	F - (b)	545.66	0.33	545.99	2.07	548.06
Total expenses		**12,692.43**	**1.72**	**12,694.15**	**2.07**	**12,696.22**
Profit before tax		**513.75**	**(1.13)**	**512.62**	**(0.43)**	**512.19**
Income tax expense						
-Current tax		147.23	-	147.23	-	147.23
-Deferred tax		1.78	(0.38)	1.40	(0.15)	1.25
Total tax expense		**149.01**	**(0.38)**	**148.63**	**(0.15)**	**148.48**
Profit for the year (A)		**364.74**	**(0.75)**	**363.99**	**(0.28)**	**363.71**
Other comprehensive income						
Items that will not be reclassified subsequently to the statement of profit or loss						
Remeasurements of the net defined benefit obligation	F - (g)	-	0.15	0.15	-	0.15
Income tax relating to these items		-	(0.05)	(0.05)	-	(0.05)
Other comprehensive income for the year (B)		-	**0.10**	**0.10**	-	**0.10**
Total comprehensive income for the year (A+B)		**364.74**	**(0.65)**	**364.09**	**(0.28)**	**363.81**

*Previous GAAP numbers have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

E. Adjustments to Statement of Cash flows

There were no significant reconciliation items between cash flows prepared under previous GAAP and those prepared under Ind AS.

F. Notes to the reconciliations of equity as at 31 March 2015 and 31 March 2014 and total comprehensive income for the year ended 31 March 2015 and 31 March 2014

(a) Investments:

In accordance with Ind AS, financial assets representing investment in equity shares of entities other than subsidiaries have been fair valued. The Company has designated equity investments as at fair value through other comprehensive income as permitted by Ind AS 109. Under the previous GAAP, the application of the relevant accounting standard resulted in these investments being carried at cost.

The impact arising from the change is summarised as follows: (Rs. in million)

Particulars	**Year ended 31 March 2015**	**Year ended 31 March 2014**
Statement of Profit and Loss		
OCI :		
Equity instruments through other comprehensive income - net change in fair value	-	-
Adjustment before income tax	-	-

(Rs. in million)

Particulars	**As at 31 March 2015**	**As at 31 March 2014**
Balance sheet		
Investments - Equity instruments carried at fair value through other comprehensive income (FVOCI)	0.09	0.09
Adjustment to retained earnings	**0.09**	**0.09**

(b) Loans (amortisation of financial assets)

Unlike in previous GAAP, Ind AS requires the financial asset to be measured at amortised costs if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Pursuant to the above, security deposits given have been measured at amortised cost. The impact arising from the change is summarised as follows:

(Rs. in million)

Particulars	**Year ended 31 March 2015**	**Year ended 31 March 2014**
Statement of Profit and Loss		
Other Income - unwinding of discount on security deposits and others	(1.97)	(0.27)
Other Income - Gain on derecognition security deposits and others	-	-
Other Expenses - Rent	3.18	0.34
Adjustment before income tax	1.21	0.07

(Rs. in million)

Particulars	As at 31 March 2015	As at 31 March 2014
Balance sheet		
Loans - Security and other deposits	(52.24)	(5.82)
Other non-current assets - prepaid rent	43.47	2.28
Other current assets - other receivable	7.18	3.19
Adjustment to retained earnings	(1.59)	(0.35)

(c) Derivatives

(Rs. in million)

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Statement of Profit and Loss		
Cost of materials consumed	1.19	0.08
Changes in inventories of finished goods and stock-in-trade	7.77	0.81
Adjustment before income tax	**8.96**	**0.89**

(Rs. in million)

Particulars	As at 31 March 2015	As at 31 March 2014
Balance sheet		
Inventories	(9.19)	(0.22)
Borrowings	11.60	0.75
Derivatives	(11.60)	(0.75)
Adjustment to retained earnings	(9.19)	(0.22)

(d) Borrowings at amortised cost

Based on Ind AS 109, financial liabilities in the form of borrowings have been accounted at amortised cost using the effective interest rate method.

The impact arising from the change is summarised as follows: (Rs. in million)

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Statement of Profit and Loss		
Finance costs	(0.11)	0.08
Adjustment before income tax	(0.11)	0.08

(Rs. in million)

Particulars	As at 31 March 2015	As at 31 March 2014
Balance sheet		
Borrowings at amortised cost	0.34	0.21
Other financial liabilities - Current maturities of long-term debts	0.07	0.08
Adjustment to retained earnings	0.41	0.29

(e) Financial liabilities (amortisation of security deposits taken)

Unlike in previous GAAP, Ind AS requires the financial liabilities to be measured at amortised costs if the financial liabilities is held within a business model whose objective is to hold financial liabilities in order to pay contractual cash flows and the contractual terms of the financial liabilities give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Pursuant to the above, security deposits taken has been measured at amortised cost. The impact arising from the change is summarised as follows:

(Rs. in million)

Particulars	**Year ended 31 March 2015**	**Year ended 31 March 2014**
Statement of Profit and Loss		
Other Income - on discounting of financial liabilities/provision	(0.43)	(0.32)
Finance costs	0.37	0.26
Adjustment before income tax	(0.06)	(0.06)

(Rs. in million)

Particulars	**As at 31 March 2015**	**As at 31 March 2014**
Balance sheet		
Non-current - Other financial liabilities	2.71	2.42
Non-current - Deferred income	(1.90)	(1.74)
Other current liabilities	(0.48)	(0.44)
Adjustment to retained earnings	0.33	0.24

(f) Provisions (proposed dividend)

Under previous GAAP, dividends proposed by the Board of Directors after the reporting date but before the approval of financial statements were considered to be adjusting event and accordingly recognised (along with related dividend distribution tax) as liabilities at the reporting date. Under Ind AS, dividends so proposed by the board are considered to be non-adjusting event. Accordingly, provision for proposed dividend and dividend distribution tax recognised under previous GAAP has been reversed. The impact arising from the change is summarised as follows:

(Rs. in million)

Particulars	**As at 31 March 2015**	**As at 31 March 2014**
Balance sheet		
Provisions - proposed dividend including dividend distribution tax	26.68	-
Adjustment to retained earnings	26.68	-

(g) Actuarial gain and loss

Under Ind AS, all actuarial gains and losses are recognised in other comprehensive income. Under previous GAAP the Company recognised actuarial gains and losses in profit or loss. However, this has no impact on the total comprehensive income and total equity as on 31 March 2015 or as on 31 March 2014.

Note 43: First-time adoption of Ind AS (continued)

(h): Reconciliation of statement of Equity as previously reported under IGAAP and Ind AS

(Rs. in million)

Particulars	Note No.	31 March 2015 Proforma	31 March 2014 Proforma
Total equity as per Indian GAAP		**2,778.58**	**1,640.48**
Investments - Equity instruments carried at (FVOCI)	F - (a)	0.09	0.09
Loans (amortisation of financial assets)	F - (b)	(1.59)	(0.35)
Derivative	F - (c)	(9.19)	(0.22)
Borrowings at amortised cost	F - (d)	0.41	0.29
Financial liabilities (amortisation of financial liabilities)	F - (e)	0.33	0.24
Provisions (proposed dividend)	F - (f)	26.68	-
Tax impact on account of above		3.41	0.02
Total equity as per Ind AS		**2,798.72**	**1,640.55**

Annexure VII - Notes to the Restated Consolidated Financial Information (continued)

(i): Reconciliation of Statement of Profit and Loss as previously reported under IGAAP and Ind AS

(Rs. in million)

Particulars	Note No.	31 March 2015 Proforma	31 March 2014 Proforma
Net Profit after tax as per IGAAP		**365.00**	**364.74**
Other Income - unwinding of discount on security deposits and others	F - (b)	1.97	0.27
Other Income - on discounting of financial liabilities/provision	F - (e)	0.43	0.32
Finance costs	F - (d, e)	(0.26)	(0.34)
Other expenses	F - (b)	(3.18)	(0.34)
Cost of materials consumed	F - (c)	(1.19)	(0.08)
Changes in inventories of finished goods and stock-in-trade	F - (c)	(7.77)	(0.81)
Taxes on above		3.40	0.33
Net Profit after tax as per Ind AS		**358.40**	**364.09**

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

For and on behalf of the Board of Directors of
Senco Gold Limited
CIN: U36911WB1994PLC064637

Jayanta Mukhopadhyay
Partner
Membership No.: 055757

Sankar Sen
Managing Director
DIN: 01178744

Suvankar Sen
Executive Director
DIN: 01178803

Vikram Nagpal
Chief Financial Officer

Surendra Gupta
Company Secretary

Place : Kolkata
Date : 06 August 2018

Place : Kolkata
Date : 06 August 2018

Place : Kolkata
Date : 06 August 2018

Senco Gold Limited

Annexure VIII: Restated Consolidated Statement of Other Income

(Rs. in million)

Particulars	Nature (Recurring/ Non-recurring)	For the Year ended	
		31 March 2015 Proforma	31 March 2014 Proforma
Interest income under the effective interest method on:			
- interest on fixed deposits with banks	Recurring	39.80	21.62
- interest income from others	Recurring	5.41	1.18
- discounting of financial liabilities/provision	Recurring	0.43	0.33
- unwinding of discount on financial assets	Recurring	1.97	0.27
Other non operating Income	Recurring	8.29	3.04
Total Other Income		**55.90**	**26.44**

Annexure IX - Restated Consolidated Statement of Dividend Paid*

(All amounts in Rs. million, except per share data)

Particulars	For the Year ended	
	31 March 2015 Proforma	31 March 2014 Proforma
Number of equity shares (in million)	17.73	17.73
Number of 0.01% compulsorily convertible non-cumulative preference shares (in million)	4.43	-
Total number of shares	**22.16**	**17.73**
Share capital	221.61	177.29
Face value (Rs.)	10	10
Interim dividend	-	44.32
Dividend distribution tax on above	-	7.53
Rate of dividend %	-	25%
Dividend per share (Rs.)	-	2.50

* Refers to dividend actually paid during the year.

Annexure X - Restated Consolidated Statement of Capitalisation

(Rs. in million)

Particulars	Pre-issue as at 31 March 2015
Debt:	
Long term borrowings	150.47
Short term borrowings	1,927.85
Current portion of Secured long term borrowings, included in other financial liabilities	43.53
Total Debt (A)	**2,121.85**
Shareholders Funds:	
Equity share capital	177.29
Instruments entirely equity in nature	44.32
Other equity	2,577.35
Total Shareholders Funds (B)	**2,798.96**
Total Debt/Shareholder fund (A/B)	**0.76:1**

Notes

(i) The above has been computed on the basis of the Restated Consolidated Financial Statement - Annexure I and Annexure II.

(ii)The corresponding Post IPO capitalisation data in the above table is not determinable at this stage pending the completion of the Book Building Process and hence the same has not been provided in the above statement.

Senco Gold Limited

Annexure XI - Restated Consolidated Statement of Accounting Ratios

(All amounts in Rs. million, except per share data)

Particulars	Reference	For the year ended 31 March	
		2015	2014
Net worth as at the year end (refer note 2 below)	**A**	**2,798.96**	**1,642.58**
Restated net profit after tax for the year	**B**	**357.62**	**363.71**
Less: preference dividend		-	-
Less: tax on Preference dividend		-	-
Net profit attributable to equity shareholders for calculation of Basic EPS	**C.1**	**357.62**	**363.71**
Add: preference dividend and taxes thereon		-	-
Net profit adjusted for the effects of diluted potential equity shares for calculation of Diluted EPS	**C.2**	**357.62**	**363.71**
Weighted average number of Equity Shares outstanding during the period			
For basic earnings per share (in million)	**D**	53.19	53.19
For diluted earnings per share (in million)	**E**	59.56	53.19
Earnings per share Rs. 10 each (refer note 3 below)			
Basic (Rs.)	**F = C.1/D**	**6.72**	**6.84**
Diluted (Rs.)	**G = C.2/E**	**6.00**	**6.84**
Return on net worth (%)	**H = B/A**	**12.78%**	**22.14%**
Weighted average number of shares outstanding during the year (in million)	**I**	53.19	53.19
Net assets value per share of Rs. 10 each	**J = A/I**	**52.63**	**30.88**
Face value (Rs.)		**10**	**10**

Notes:

1. Earnings per shares (EPS) calculation is in accordance with Indian Accounting Standard (Ind AS) 33 "Earnings per share" prescribed by the The Companies (Indian Accounting Standards) Rules, 2015.
2. Net worth for ratios is = Equity share capital + other equity (including Securities premium, General reserve, and Retained earnings).
3. The above ratios have been computed on the basis of the Restated Statements- Annexure I and Annexure II.

4. The Earnings per share and net assets value per share have been adjusted with bonus issue, refer note 31 of Annexure VII.
5. As per Ind AS 33 - Earnings Per Share, if the number of ordinary or potential ordinary shares outstanding increases as a result of bonus issue, the calculation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively. If these changes occur after the reporting period but before the financial statements are approved for issue, the per share calculations for those and any prior period financial statements presented shall be based on the new number of shares.

Senco Gold Limited

Annexure XII - Restated Consolidated Statement of Tax Shelter

(Rs. in million)

	Income tax recognised in restated consolidated summary statement of profit and loss	For the year ended	
		31 March 2015	**31 March 2014**
A.	**Income tax expense**		
	-Current tax	**194.55**	**147.23**
	Income tax expense for the year reconciled to the accounting profit:		
B.	**Profit before tax**	**532.04**	**512.19**
C.	**Company's domestic tax rate**	**33.99%**	**33.99%**
D.	**Income tax using Company's domestic tax rate**	**180.84**	**174.09**
E	**Tax effect of permanent difference due to:**		
	Tax holiday incentive	(4.72)	(25.12)
	Interest on income tax	2.37	-
	Others	(4.07)	(0.49)
	Total tax impact of permanent differences	**(6.42)**	**(25.61)**
F.	**Tax effect of temporary difference due to:**		
	Property, plant and equipment	3.03	(3.65)
	Provision for gratuity	0.38	0.31
	Provision for lease equalisation	2.81	1.32
	Carry forward losses	4.10	1.15
	Preconstruction interest on property	4.07	-
	Derivative	3.05	0.30
	Others	2.69	(0.68)
	Total tax effect of temporary difference	**20.13**	**(1.25)**
G.	**Tax liability**	**194.55**	**147.23**
		-	**-**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial Information as of and for the years ended March 31, 2018, 2017 and 2016 prepared in accordance with the Companies Act and Indian Accounting Standards, restated in accordance with the SEBI ICDR Regulations and ICAI Guidance Note on Reports in Company Prospectuses (Revised) 2016, including the schedules, annexures and notes thereto and the reports thereon, included in "Financial Statements" on page 189. Ind AS differs in certain material respects with Indian GAAP.

Our fiscal ends on March 31 of each year. Accordingly, all references to a particular Fiscal are to the 12-month period ended March 31 of that year.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in "Risk Factors" and "Forward-Looking Statements" on pages 20 and 19, respectively.

Overview

We are the largest organized jewellery retail player in the eastern region of India based on number of stores (74) – amongst east based as well as national players (*Source: CRISIL Report*). We primarily sell gold and diamond jewellery and also sell jewellery made of silver, platinum and precious and semi-precious stones and metals. Our other offerings include costume jewellery, gold/ silver coins and utensils made of silver. Presently, we have 93 showrooms, which have a total area of approximately 255,284 sq. ft., in 72 cities and towns. A majority of our revenue is derived from the sale of light-weight gold jewellery products. We offer a large variety of designs of handcrafted jewellery, most of which are designed in-house by our team of designers in close collaboration with skilled local artisans or craftsmen (generally termed *Karigars*).

While a majority of our showrooms, selling products under the "Senco Gold & Diamonds" tradenames, are Company Operated Showrooms, we also market our products through Franchised Showrooms allowing for an asset light model aimed at minimising our capital expenditure. In the recent past (between Fiscal 2014 and Fiscal 2018), we have added several showrooms including opening 25 Company Operated Showrooms and 14 Franchise Showrooms. As on the date of this Draft Red Herring Prospectus, we have 48 Company Operated Showrooms and 45 Franchise Showrooms. Of our total of 93 showrooms, 60 are in West Bengal; six are in Uttar Pradesh; five are in Odisha; four are in Jharkhand; three each in Karnataka, Maharashtra and Assam; two each in Delhi and Bihar; and one each in Telangana, Chhattisgarh, Haryana, Madhya Pradesh and Tripura.

We believe our more than five decades long track-record evokes consumers' trust in our products. We have been awarded the "Best Capital Management" award by Business India publication in 2015; 'Iconic Brand of India' award by Economic Times in 2016-17; the 'Gems of India' award by All India Gems and Jewellery Federation in 2015-16; the 'Leading Retailer of India' by UBM in 2016 and in 2014; and the 'Social Responsible Jewellery Award' by All India Gujarat Jewellery Federation in 2015-16. Further we have been ranked as "India's 5th Most Attractive Jewellery Brand" by India's Most Attractive Brands 2017 and "India's 5th Most Trusted Jewellery Brand" by The Brand Trust Report, India Study 2016. We have also received the award of "Best Chain of Retail Stores (National-2017)" by Indian Bullion and Jewellers Association Limited at the 4th India Bullion and Jewellery Awards, 2017.

We have a dedicated design team, comprising 12 designers as on June 30, 2018 focused on developing new products and designs that meet customers' requirements. We also customize jewellery for individual needs. The manufacturing of our jewellery is carried out by over 100 experienced *Karigars* in Kolkata, West Bengal under Karigar Agreements. Our presence in West Bengal allows us to access quality craftsmen, who have been working with our Company for a number of years. We believe that our scale of operations enables us to commit significant volumes of work to *Karigars*; which in turn enables them to offer quality finished products to us at competitive prices. Additionally, we believe that this ensures that the *Karigars* devote a significant portion of their time towards fulfilling commitments to our Company with a competitive and innovative drive towards completion of our jewellery orders.

West Bengal is a prominent jewellery manufacturing hub in east India, renowned for light weight and hand-made jewellery. Apart from catering to jewellery demand in the state, jewellery manufacturers from this region also cater to neighbouring states and other parts of the country. Additionally, it is one of the major gold and diamond jewellery exporting regions in India. According to a WCG report "India's gold market: evolution and innovation", ~50% of gold jewellery exported from India is plain gold jewellery sets or chains, and typically made in Mumbai, Kolkata (capital of West Bengal) and cities in south India. In terms of the number of BIS hallmark registered gold jewellery stores, Mumbai tops the chart with 885 stores, followed closely by Kolkata at 840 stores. (*Source: CRISIL Report*).

Our diverse jewellery collection is offered across various price points (ranging from approximately ₹500 to approximately ₹500,000) so as to maximise our potential customer base. We offer our customers from across India a wide variety of jewellery in order to cater to regional tastes.

Our marketing activities are focused on improving our brand recall and generating footfalls in our showrooms throughout the year. During Fiscal 2018, 2017 and 2016 we spent ₹346.93 million, ₹375.74 million and ₹421.36 million, respectively, on advertising and sales promotion. Our marketing schemes vary as per occasion, season and the needs of our customers and are tailored to befit occasions such as weddings, anniversaries, birthdays and Valentine's Day, when people customarily buy jewellery. '*Diwali*' and '*Dhanteras*' are two of the biggest jewellery buying festivals, during which season we generally record high sales. We capitalise on '*Akshay Tritiya*' or new years of various states such as West Bengal, Odisha and Maharashtra to promote sales. We also provide sales promotional offers on our jewellery during local and regional festivals such as '*Rath Yatra*', '*Ganesh Chaturthi*', '*Teej*', '*Bihu*' and '*Durga Puja*', amongst others, in order to achieve higher than normal sales during these festivals. In addition to these local and regional festivals, special offers and new collections are launched around occasions such as Valentine's Day, mother's day, father's day and women's day, amongst others. We also endeavour to build marketing campaigns around the wedding season in India, particularly with our light weight gold jewellery. Having set up our *Everlite* and *Gossip* collections, we aim to cater to the younger generation and the 'middle-class' of India by building brands with a smaller average product price. As a part of our marketing initiatives, we have corporate tie-ups with the Kolkata Knight Riders cricket team and with various other events, including a national beauty pageant. We have appointed Vidya Balan, actress, and Sourav Ganguly, ex-cricketer, as brand ambassadors to enhance our brand presence and market our products. We have implemented a loyalty program with over 200,000 of our customers; and have entered into an agreement with Capillary Technologies to facilitate the loyalty program for these customers.

We stringently follow the hallmarking process for all our jewellery. In addition, all our diamond jewellery is certified by Solitaire Gemological Laboratory. Loose diamond stock is regularly assessed for valuation so as to derive greater transparency to our business.

Most of the gold used as raw material by us is sourced by way of gold loan facilities offered by banks. We follow a procurement policy aimed at de-risking the business from gold price fluctuations by sourcing gold for our manufacturing operations under the gold loan facilities offered by banks. Under such arrangements, the price of gold purchased is not fixed on procurement, but rather within the applicable credit period, thereby minimizing any risk to us relating to gold price fluctuations between the time of procuring the raw material and selling the finished product to our customers. Our loose diamonds are mostly procured from reputed sightholders; and the manufacturing is carried out either by the skilled *Karigars* in West Bengal for hand made products or by organised manufacturers in Mumbai or Coimbatore.

As on the date of this Draft Red Herring Prospectus, we have two manufacturing facilities. Our manufacturing facility located at Rabindra Sarani, Kolkata, West Bengal majorly caters to domestic sales and our manufacturing facility in the "Manikanchan" special economic zone caters to our export sales. Further, we are in the process of setting up another manufacturing facility at the Gems and Jewelry Park, Ankurhati, Domjur in Howrah, West Bengal.We make wholesale exports of our jewellery primarily to the Middle East, Malaysia and Singapore.

As at June 30, 2018, we had 1,290 employees. In addition, we have outsourced security personnel and housekeeping staff of whom we appoint on a contract labour basis. Our revenue from operations increased to ₹22,140.14 million in Fiscal 2018 from ₹15,315.19 million in Fiscal 2016, and our profit for the year increased to ₹728.06 million in Fiscal 2018 from ₹ 154.87 million in Fiscal 2016. Our revenue from operations has increased at a CAGR of 20.23% from Fiscal 2016 to Fiscal 2018 and our profit for the year has increased at a CAGR of 116.82% from Fiscal 2016 to Fiscal 2018.

Significant Factors Affecting our Results of Operations

We believe that the following factors, amongst others, have significantly affected our results of operations, cash flows and financial condition during the periods under review, and may continue to affect our results of operations and financial condition in the future:

Retail network

Our results of operations are materially affected by the number and size of our showrooms. Set forth below is a table showing the number of showrooms we had at the end of the periods indicated, our revenue from operations and profit for the year on a restated standalone basis for such periods.

Fiscal	Number of showrooms at the end of the period (Company Operated Showrooms and Franchise Showrooms)	Revenue from operations (₹ in million)	Profit for the year (₹ in million)
2018	90	22,140.14	728.06
2017	84	18,423.42	391.47
2016	73	15,315.19	154.87
2015	61	14,337.70	359.43
2014	51	13,181.94	363.91

We may require significant financial resources in connection with the leasing of property for our new Company Operated Showrooms, capital expenditure, financing inventory and hiring of additional employees for our expanded operations. In addition, as we enter new markets, we face competition from regional or national players, who may have an established local presence, and may be more familiar with local customers' design preferences, business practices and customs. An inability to effectively manage our expanded operations or pursue our growth strategy may lead to operational and financial inefficiencies, which may in-turn result in a material adverse effect on our business prospects, financial condition and results of operations. Additionally, as the success of any retail business is significantly dependent upon identifying the best possible locations for showrooms at a competitive cost, we have a team that is responsible for finding locations to lease for the purposes of opening new showroom. We must compete with other retailers to lock in locations for new showrooms. We cannot assure you that we will be able to expand and grow at the rate at which we plan to, as we may not be able to find suitable properties for new stores at prices that are viable for our business. If we are unable to lease the locations at the time, place and cost that we desire, the same may have a material adverse impact on our growth prospects.

Further, our business strategy depends in part on the successful franchising of our brand. We may not be able to identify suitable franchisees or we may not correctly manage our existing franchisees. Although we have developed criteria to evaluate and screen prospective franchisees, we cannot be certain that the franchisees we select will have the neccessary business acumen or financial resources. Further, we cannot be certain that our franchisee partners may be able to obtain working capital at favourable terms or at all.

Working Capital Requirements

As on June 15, 2018, the amount sanctioned under our Working Capital Consortium Facility amounted to ₹5,500 million and our gold loan facilities outside consortium amounted to ₹5,930 million. For further details on our working capital facilities and our gold loan facilities, please refer to the section "*Financial Indebtedness*" on page 436. Our business requires a substantial amount of working capital, primarily to finance the purchase of raw materials. Moreover, we may need substantial incremental working capital for expansion of our business, particularly in connection with our strategy to increase our focus on diamond jewellery and expansion of our retail and franchise network. For further details, please see "*Business – Business Strategies - Continue to increase focus on sale of fast-moving diamond jewellery*" on page 136.

Further, we may need to seek funding through additional borrowings or securities offerings. We cannot assure you that such funding will be obtained in a timely manner, on satisfactory terms, or at all. Moreover, if we raise additional debt, our interest expense will increase and our debt covenants under our existing loans may be impacted. The success of our business is dependent on our ability to obtain and maintain sufficient cash flow, credit facilities and other sources of funding.

Availability and cost of gold and other raw materials

Timely procurement of materials such as gold bullion, diamonds, precious and semi-precious stones and metals as well as the quality and the price at which they are procured play an important role in the successful operation of our business. Gold used in our manufacturing operations is primarily sourced from nominated banks and agencies in India. 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. 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. The results of our operations are significantly affected by changes in the prices of gold and diamonds.

The following table depicts the consumption of gold bars, diamond jewellery, precious and semi-precious stones and other materials (silver bar, platinum bar, novelty and accessories):

(₹ in million)

Fiscal Year	Gold Bars	Diamond and precious/semi precious stones	Others (Silver bar, Platinum bar, novelty and accessories)	Total
2016	14,293.46	514.08	102.04	**14,909.58**
2017	15,544.39	517.11	152.38	**16,213.88**
2018	15,614.06	1,291.81	176.20	**17,082.07**

The availability of gold, our key raw material, may be adversely affected due to various reasons which might affect our production of gold jewellery. Any decrease in supply of gold or our inability to effectively procure gold at competitive rates, in time, or at all, may negatively impact our business, financial condition, results of operations and prospects. Further, factors that may adversely impact sale of gold jewellery, such as imposition of increased back ground checks or changing consumer preferences, may lead to decrease in our revenues.

Most of the gold used as raw material by us is sourced by way of gold loans offered by banks. Under such arrangements, the price of gold purchased is not fixed on procurement, but rather within the applicable credit period, thereby reducing risk relating to gold price fluctuations between the time of procuring the raw material and selling the finished product to our customers.

Brand Image and Consumer Preferences

The jewellery industry is subject to rapid and unpredictable changes in fashion trends and customer preferences. We should be able to identify and respond to changing consumer demands and preferences to compete successfully in our business. Customer preferences for jewellery designs and types may vary significantly from region to region in India. In addition, the availability and consumer acceptance of alternate metals such as cubic, zirconia, moissanite or laboratory-created diamonds has resulted in rapidly changing consumer preferences.

Our success depends largely on our ability to anticipate, gauge and respond to these changing consumer preferences and trends in a timely manner, while preserving and strengthening the perception and authenticity of our brand. We must therefore continue to develop innovative, trend-setting and stylish jewellery designs that are different from our competitors. Market acceptance of new designs and products is subject to uncertainty and there can be no assurance that our efforts will be successful. The inability of new designs or new jewellery lines to gain market acceptance or our inability to cater changing customer preferences could adversely affect our brand image, our business and financial condition. Achieving market acceptance for new designs or new jewellery lines may also require substantial marketing efforts and expenditures to increase consumer demand, which could constrain our management, financial and operational resources. Our revenues could decline if our new designs do not experience broad market acceptance. In addition, due to the competitive nature of the jewellery market in which we operate, the innovative designs remain the key differentiator, which normally possess short life span. In addition, customer demographics and design preferences vary in our different markets across India and internationally, and our market share and results of operations is also dependent on our ability to develop attractive designs catering to various customer preferences. Hence, all our designs will not have comparable demand across all of our regions. As a result, our market share is also determined by our ability to create designs that conform to the significantly different preferences our customers across different regions.

Additionally, we believe that we have developed “Senco Gold & Diamonds” as a strong brand in our markets in East and North-East India, as a jewellery retailer with a wide range of gold, silver and diamond jewellery products. We believe our more than five decade track-record signifies consumers’ trust in our products. We have been awarded the ‘Iconic brand of India’ award by Economic Times in 2016-17 and “India’s 5th Most Trusted Jewellery Brand” by The Brand Trust Report, India Study 2016. For further details regarding awards and accolades received, see, “*History and Certain Corporate Matters - Awards, accreditations and accolades received by our Company*”. We believe that our focus on quality, craftsmanship and original designs, together with our targeted marketing and customer service, has contributed to our strong brand recognition and customer loyalty.

Manufacturing by Karigars

Our operations integrate our sourcing, manufacturing, retail and export sales, to provide us with several competitive advantages, including the ability to adjust our product range to continuously address shift in customer preferences and changes in demand.

One of our key strengths lie in the craftsmanship of our Bengali *Karigars*. The manufacturing of our jewellery is carried out by over 100 experienced *Karigars* in Kolkata, West Bengal. The *Karigars* engaged as job workers by our Company are experienced in artistic work in carving and processing of plain gold, studded gold, platinum and diamond ornaments. Our presence in West Bengal allows us to access quality craftsmen, who have been working with our Company for a number of years. We believe that our scale of operations enables us to commit significant volume of work to *Karigars*; which in turn enables them to offer quality finished products to us at competitive prices. Additionally, we believe that this ensures that the *Karigars* devote a significant portion of their time towards fulfilling commitments to our Company.

Seasonality

We believe 'Dhanteras' and 'Diwali' are the biggest jewellery buying festivals during which our sales and marketing efforts generally spike. We capitalise on 'Akshay Tritya' or new years of various states such as West Bengal, Odisha, Punjab and Maharashtra to promote sales. We also have offers on our jewellery during local and regional festivals such as 'Rath Yatra', 'Ganesh Chaturthi', 'Teej', 'Bihu' and 'Durga Puja', amongst others. This period also coincides with the wedding season in India. While we stock certain inventory to account for this seasonality, our fixed costs such as lease rentals, employee salaries, showroom operating costs and logistics-related expenses, which form a significant portion of operating costs, are relatively constant throughout the year. Consequently, lower than expected net sales during the second 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, or could strain our resources and impair our cash flows. Further, as a result of the above, our quarter-on-quarter financial results may not be comparable or a meaningful indicator of our futuristic performance. 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.

General Economic Conditions

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

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

Regulatory Changes

We operate in a rapidly evolving regulatory and policy environment. Regulatory and policy changes may adversely affect our business, financial condition, results of operations and prospects to the extent that we are unable to suitably respond to, and comply with, any changes in applicable law and policy. The Central or State Governments in India may implement new regulations and policies which will require us to obtain additional approvals and licenses from the GoI and other regulatory bodies or may impose onerous requirements and conditions on our operations. For details of the regulations and policies currently applicable to us, see "*Key Regulations and Policies in India* " on page 143. Further, there can be no assurance that we will be able to comply with such revised regulations in a timely manner or at all, which may subject us to increased compliance costs and regulatory action, including payment of penalties.

In addition, the Central and State tax scheme in India is extensive and subject to change, from time to time. Taxes and other levies imposed by the Central or State Governments in India that affect our sector include goods and services tax, customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. Any future increases in tax rates or amendments in tax laws may affect the operating efficiency and overall tax efficiency of companies operating in India, including our Company, and may result in significant additional taxes becoming payable. In the past, there have been instances in which changes in Indian taxation laws have been made retrospectively. We cannot assure you that retrospective changes in the taxation regime applicable to us will not recur.

Uncertainty in the applicability, interpretation or implementation of any amendment to governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

On November 8, 2016, the RBI and the Ministry of Finance of the Government withdrew the legal tender status of the then in circulation ₹ 500 and ₹ 1,000 currency notes pursuant to a notification dated November 8, 2016. The short-term impact of these developments has been, among other things, a decrease in liquidity of cash; and consequently, spending, in India. There is uncertainty on the short and long-term effects of demonetization on the Indian economy and India's capital markets, and we cannot accurately predict its effect on our business, results of operations, financial condition and prospects.

Merchandise Mix

Changes in the relative mix of gold jewellery, diamond jewellery and other jewellery articles have had and are likely to continue to have an impact on our financial condition and results of operations, as each product type has varying profit margins. Diamond jewellery and other precious stone jewellery typically involve higher profit margins compared to ordinary gold jewellery. In Fiscal 2018, 2017 and 2016 diamond jewellery and precious/semi precious stones contributed 5.09%, 4.45% and 4.69%, respectively, of our sale of products resulting primarily from an increase in the relative proportion of diamond jewellery and precious/semi precious stones sold. The following table sets forth the contribution of each product type to overall sales by product for the periods presented:

Particulars	**Fiscal 2018**		**Fiscal 2017**		**Fiscal 2016**	
	Amount (Rs in million)	**Percentage of sale of products**	**Amount (Rs in million)**	**Percentage of sale of products**	**Amount (Rs in million)**	**Percentage of sale of products**
Gold sales	20,686.71	93.67%	17,339.44	94.50%	14,386.94	94.54%
Diamond jewellery and precious/semi precious stones	1,123.32	5.09%	817.62	4.45%	714.25	4.69%
Silver sales	108.59	0.49%	91.67	0.50%	48.19	0.32%
Platinum sales	91.35	0.41%	43.91	0.24%	26.61	0.17%
Novelty and accessories	75.00	0.34%	56.62	0.31%	42.39	0.28%
Total	**22,084.97**	**100.00%**	**18,349.26**	**100.00%**	**15,218.38**	**100.00%**

We believe that demand for diamond jewellery in India in recent years has increased at relatively higher rates compared to the demand for gold jewellery. We intend to continue to focus on increasing diamond jewellery production and sales as a proportion of our overall production and sales.

Critical Accounting Policies

Reporting Entity

Senco Gold Limited is a company domiciled in India, with its registered office situated at Kolkata. The Company has been incorporated under the provisions of Indian Companies Act, 1956. It is engaged primarily in the business of buying, selling, remodeling, manufacturing of ornaments and articles made of gold, silver, platinum and other precious and semi precious stones and allied materials, in domestic as well as international market.

Basis of preparation

The Restated Standalone Summary Statement of Assets and Liabilities of Senco Gold Limited as at 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, the Restated Standalone Summary Statement of Profit and Loss (including Other Comprehensive Income), the Restated Standalone Summary Statement of Changes in Equity and the Restated Standalone Summary Statement of Cash Flows for each of the financial years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 and Restated Other Standalone Financial Information (together referred as 'Restated Standalone Financial Information') has been prepared under Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 to the extent applicable. The Company has elected to present all five years as per Ind AS/ Proforma Ind AS. The Restated Standalone Financial Information for the years ended 31 March 2016, 31 March 2015 and 31 March 2014 has been prepared on Proforma basis (i.e. "Proforma Ind AS Restated Standalone Financial Information") in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated 31 March 2016 ("SEBI Circular") and Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India ('ICAI'). The Restated Standalone Financial Information has been compiled by the Company from:

(1) The Audited Standalone Financial Statements of the Company for the years ended 31 March 2016, 31 March 2015 and 31 March 2014 (Audited Standalone Financial Statements) The Company had prepared the financial statements for the year ended 31 March 2015 and 31 March 2016 in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act and financial statements for the years ended 31 March 2014 in accordance with Accounting standards prescribed under Section 211 (3C) of the Companies Act, 1956 read with the Companies Accounting Standard Rules (2006) (collectively "Previous GAAP"). The Restated Standalone Financial Information for these years along with

respective underlying schedules and notes are “Proforma Ind AS Restated Standalone Financial Information”, as per the Guidance note on Reports in Company Prospectuses (Revised 2016), issued by the ICAI. The Company has followed the same accounting policy choice as initially adopted on transition date i.e. 1 April 2016 while preparing Restated Standalone Financial Information for the years ended 31 March 2016, 31 March 2015 and 31 March 2014; and

(2) The Audited Standalone Financial Statements of the Company for the years ended 31 March 2018 and 31 March 2017 prepared under Ind AS (for the year ended 31 March 2017, it is in accordance with Ind AS being comparative period for year ended 31 March 2018).

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of Standalone Financial Statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (“Previous GAAP” or “Indian GAAP”) to Ind AS of Restated Standalone Shareholders’ equity as at 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 and of the Restated Standalone Summary Statement of profit and loss for the years ended 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014. Refer Annexure VI for details of the same.

The Restated Standalone Financial Information have been prepared by the management in connection with the proposed listing of equity shares of the Company, to be filed by the Company with the Securities and Exchange Board of India (‘the SEBI’), relevant Registrar of Companies, as applicable and the concerned Stock Exchanges in accordance with the requirements of:

(1) Section 26 of the Companies Act, 2013;

(2) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the SEBI on August 26, 2009, as amended to date in pursuance of provisions of Securities and Exchange Board of India Act, 1992 read along with SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 (together referred to as ‘the ICDR regulations’); and

(3) Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the ICAI (referred to as ‘the Guidance note’).

These Restated Standalone Financial Information have been compiled by the Company from the Audited Standalone Financial Statement and:

(1) there were no audit adjustments on these Restated Standalone Financial Information except as mentioned in note (v) to Annexure VI,

(2) there were no changes in accounting policies under Previous GAAP during the years of these financial statements,

(3) material amounts relating to adjustments for previous years in arriving at profit/loss of the years to which they relate, have been appropriately adjusted, refer Annexure VI.

(4) adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited Standalone Financial Statements of the Company as at and for the year ended 31 March 2018 prepared under Ind AS and the requirements of the ICDR Regulations, and

(5) the resultant tax impact on above adjustments has been appropriately adjusted in deferred taxes in the respective years to which they relate.

These Restated Standalone Financial Information were adopted by the IPO Committee of the Company, in its meeting held on 6th August 2018.

<u>Functional and Presentation currency</u>

These financial statements are presented in Indian Rupees (Rs.), which is also the Company’s functional currency. All amounts have been rounded off to the nearest million, unless otherwise indicated.

<u>Basis of measurement</u>

The financial statements have been prepared on historical cost convention on the accrual basis, except for the following items:

Items	Measurement basis
Derivative financial instruments	Fair Value Through Profit or Loss
Certain financial assets and financial liabilities	Fair Value
Assets held for sale	Lower of its carrying amount and fair value less costs to sell
Investment in certain equity shares of entities other than subsidiary companies	Fair Value Through Other Comprehensive Income ("FVOCI")
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Use of estimates and judgements

The preparation of the Company's Restated Standalone Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these Restated Standalone Financial Information have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. The changes in the estimates are reflected in the Restated Standalone Financial Information in the period in which changes are made and, if material, their effects are disclosed in the notes to the Restated Standalone Financial Information.

Critical accounting estimates and key sources of estimation uncertainty : Key assumptions

(1) Useful lives of Property, plant and equipment

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

(2) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using certain valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as volatility risk, credit risk and volatility. See note 41 to Annexure VII for details.

(3) Defined benefit plan

The cost of the defined benefit plan includes gratuity and the present value of the gratuity obligation are determined using actuarial valuations using projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. See note 34 to Annexure VII for details

(4) Recognition of current tax and deferred tax

Current taxes are recognised at tax rates (tax laws) enacted or substantively enacted by the reporting date and the amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. See note 6 to Annexure VII for details.

(5) Recognition and measurement of provisions and contingencies

The certain key assumptions about the likelihood and magnitude of an outflow of resources. Provision is towards known contractual obligation, litigation cases and pending assessments in respect of taxes, duties and other levies in respect of which management believes that there are present obligations and the settlement of such obligations are expected to result in outflow of resources, to the extent provided for.

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for financial assets and financial liabilities.

The Company has an established control framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in note 41 to Annexure VII.

Significant accounting policies

Current–non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

(1) Assets

An asset is classified as current when it satisfies any of the following criteria:
(i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

(ii) it is held primarily for the purpose of being traded;

(iii) it is expected to be realised within 12 months after the reporting date; or

(iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

(2) Liabilities

A liability is classified as current when it satisfies any of the following criteria:

(i) it is expected to be settled in the Company's normal operating cycle;

(ii) it is held primarily for the purpose of being traded;

(iii) it is due to be settled within 12 months after the reporting date; or

(iv) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(3) Operating cycle

Based on the nature of operations, the Company has ascertained its operating cycle for the purpose of current and non-current classification of assets and liabilities as 12 months. Operating cycle is the time between the purchase of raw materials for processing and their realisation in cash or cash equivalents.

Property, plant and equipment [PPE]

(1) Recognition and measurement

Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation. The cost of an item of property, plant and equipment comprises its purchase price 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.

Items such as spare parts, stand-by equipment and servicing equipment are capitalised as PPE only if they are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and are expected to be used during more than a period of twelve months.

Property, plant and equipment under construction are disclosed as capital work-in-progress

A PPE is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal.

Assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value and shown separately under 'Current assets'. Losses arising from retirement or gains or losses arising from disposal of PPE which are carried at cost are recognised in the Statement of Profit and Loss.

(2) Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment. The Company has followed the same accounting policy choice as initially adopted on transition date i.e. 1 April 2016 while preparing restated standalone financial information for the years ended 31 March 2016, 31 March 2015 and 31 March 2014.

(3) Subsequent expenditure

Subsequent expenditures related to an item of property, plant and equipment are added to its book value only if it is probable that future economic benefits associated with the item will flow to the enterprise and the cost of the item can be measured reliably.

(4) Depreciation

Property, plant and equipment

Depreciation in respect of all the assets is provided on written down value method over their useful lives, as estimated by the management. Useful lives so estimated are in line with the useful lives indicated by Schedule II to the Companies Act, 2013 except for lease hold building and lease hold improvements which have been depreciated over the useful lives which are higher than the respective period of lease. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year.

Plant and equipment and furniture and fittings, costing individually Rs. 0.005 million or less, are depreciated fully in the year of purchase.

Lease hold building and lease hold improvement is being depreciated over the period of 20 years.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on the management evaluation useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed off).

(5) <u>Reclassification to Investment Property</u>

When the use of a property changes from owner occupied to investment property, the property is reclassified as investment property at its carrying value on the date of reclassication.

<u>Intangible assets</u>

(1) <u>Recognition and measurement</u>

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and accumulated impairment loss, if any.

(2) <u>Subsequent expenditure</u>

Subsequent expenditures related to an item of intangible assets are added to its book value only if it is probable that future economic benefits associated with the item will flow to the enterprise and the cost of the item can be measured reliably.

(3) <u>Transition to Ind AS</u>

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets. The Company has followed the same accounting policy choice as initially adopted on transition date i.e. 1 April 2016 while preparing restated standalone financial information for the years ended 31 March 2016, 31 March 2015 and 31 March 2014.

(4) <u>Amortisation</u>

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the written down value method, and is included in depreciation and amortisation in Statement of Profit and Loss.

Class of assets	Useful life
Computer software	5 years

Amortisation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

<u>Financial instruments</u>

(1) <u>Recognition and initial measurement</u>

Trade receivables are initially recognised when they are originated. All other financial assets and liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

(2) Classification and subsequent measurement

(i) Financial assets

On initial recognition, a financial asset is classified as measured at:

- amortised cost; or
- fair value through Other Comprehensive Income (FVOCI) - Equity Investment; or
- fair value through Profit or Loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

(ii) Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The effective interest rate (EIR) amortisation is included in finance income in the Restated Standalone Statement of Profit and Loss. This category generally applies to long-term deposits and long-term trade receivables.

(iii) Financial assets at fair value through other comprehensive income (FVOCI)

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI-equity investment). This election is made on an investment-by-investment basis.

Financial assets are measured at the FVOCI if both of the following conditions are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Financial assets included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI).

In accordance with Ind AS 101, the Company has irrevocably designated its investment in equity instruments as FVOCI on the date of transition to Ind AS."

(iv) Financial assets at fair value through profit or loss (FVTPL)

All financial assets which are not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

(v) Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest (SPPI).

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non- recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of Profit and Loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method (EIR). The amortised cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is recognised in Statement of Profit and Loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to Statement of Profit and Loss.

(vi) Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL.

(vii) Financial liabilities through fair value through profit or loss (FVTPL)

A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

(viii) Financial liabilities at amortised cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss.

Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

Interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments."

(3) Derecognition

(i) Financial assets

The Company derecognises a financial asset:

- when the contractual rights to the cash flows from the financial asset expire, or
- it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retires either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

(ii) Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Statement of Profit and Loss.

(4) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(5) Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

(6) Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

The Company enters into purchase of gold contract, in which the amount payable is not fixed based on gold price on the date of purchase, but instead is affected by changes in gold prices in future. Such transactions are entered into to protect against the risk of gold price movement in the purchased gold. Accordingly, such unfixed payables are considered to have an embedded derivative. The Company designates the gold price risk in such instruments as hedging instruments, with gold inventory considered to be the hedged item. The hedged risk is gold prices in USD. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated. Changes in fair value of the hedging instrument attributable to the risk hedged is recorded as part of the carrying value of the hedged item.

Embedded derivative are accounted for as separate derivative and recorded at fair value with changes in fair value recognised in Statement of Profit and Loss.

Inventories

Inventory of raw materials are carried at cost. The carrying cost of raw materials held for use in the production of inventories are appropriately written down when there is a decline in replacement cost of such materials and the finished products in which they will be incorporated are expected to be sold and it is estimated that the cost of the finished products will exceed their net realisable value.

Inventory of finished goods and stock-in-trade are valued at the lower of cost and net realisable value. Cost of finished goods include costs of raw material, direct labour and other directly attributable expenses incurred in bringing such goods to their present location and condition.

In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

In determining the cost, weighted average method is used. Alloys and consumables are charged off to the Statement of Profit and Loss.

The comparison of cost and net realisable value is made on an item-by-item basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

Impairment

(7) Impairment of financial instruments: financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivable with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in Statement of Profit and Loss.

In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including subsequent information.

(8) <u>Impairment of non-financial assets</u>

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest Company of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g. corporate office for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss.

Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

<u>Non current assets held for sale</u>

Non Current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuous use.

Such assets are generally measured at the lower of their carrying amount and fair value less cost to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in Statement of Profit or Loss.

Once classified as held for sale, intangible assets, property, plant and equipment and investment properties are no longer amoritsed or depreciated.

<u>Employee benefits expense</u>

The Company's obligations towards various employee benefits have been recognised as follows:

(1) <u>Short term benefits</u>

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably

Post employment benefits

(2) <u>Defined contribution plans</u>

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions for employee provident fund to Government administered provident fund scheme, which are defined contribution plans. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(3) <u>Defined benefit plans</u>

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements. The Company recognises all actuarial gains and losses arising from defined benefit plan immediately in the Statement of Profit and Loss.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other comprehensive income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested."

(4) <u>Other long term employees benefits</u>

Compensated absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences (which includes privilege leave and sick leave) in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Remeasurements gains and losses are recognised in Statement of Profit and Losses in the period in which they arise.

Revenue recognition

(5) Revenue from sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and quantity discounts and exclusive of Sales tax, Value added tax (VAT), Goods and Service Tax (GST) and is inclusive of excise duty. This inter alia involves discounting of the consideration due to the present value if payment extends beyond normal credit terms. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably. The timing of transfers of risks and rewards varies depending on the individual terms of sale.

(6) Rendering of services

Revenue from services rendered is recognised in profit and loss in proportion to the stage of completion of the transactions at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

Upfront/one time fees/charges received from franchises at the time of entering into such agreement/ contract is recognised as and when received.

(7) Recognition of dividend income, interest income or expense

Dividend income is recognised in Statement of Profit and Loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Operating leases

Payments made under operating leases are generally recognised in Statement of Profit and Loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Foreign exchange transactions

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Income tax

Income tax expense comprises of current tax and deferred tax. Current tax and deferred tax is recognised in the Statement of profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in Other Comprehensive Income.

(8) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only, if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(9) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (tax base). Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

- taxable temporary differences arising on the initial recognition of goodwill."

In case of tax payable as Minimum Alternative Tax ('MAT') under the provisions of the Income tax Act, 1961, the credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for setoff against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Cash and cash equivalents

Cash and cash equivalents include cash and cash-on-deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a 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. The cash flows from operating, investing and financing activities of the Company are segregated.

Earnings per share

Basic earnings per share is 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.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares."

Investment in subsidiary

The Company has elected to recognise its investments in subsidiary company at cost in accordance with the option available in Ind AS 27 in Restated Standalone Financial Information.

Financial guarantee

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

Operating segment

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance. The Company is engaged primarily in the business of buying, selling, remodeling, manufacturing of ornaments and articles made of gold, silver, platinum and other precious and semi precious stones and allied materials, in domestic as well as international market. The performance of the Company is assessed and reviewed by the CODM as a single operating segment and accordingly sale of gold jewellery and other articles is the only operating segment.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Dividend

Dividend paid or payable shall be recognised in the year in which the related dividends are approved by shareholders or board of directors as appropriate.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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 the obligation or a reliable estimate of the amount cannot be made.

Summary Results of Operations

The following is a summary of our profit and loss as per our restated standalone summary of profit and loss for the years:

Particulars	Fiscal					
	2018		2017		2016	
	Amount	Percentage of Total Income	Amount	Percentage of Total Income	Amount	Percentage of Total Income
	(₹ in million)	%	(₹ in million)	%	(₹ in million)	%
INCOME						
Revenue from Operations	22,140.14	99.51%	18,423.42	99.53%	15,315.19	99.71%
Other Income	108.84	0.49%	86.43	0.47%	44.95	0.29%
Total Income	**22,248.98**	100%	**18,509.85**	100%	**15,360.14**	100%
EXPENSES						
Cost of materials consumed	17,082.07	76.78%	16,213.88	87.60%	14,909.58	97.07%
Purchases of stock-in-trade	3,710.85	16.68%	282.36	1.53%	-	-
Changes in inventories of finished goods, stock-in-trade and work in progress	(1,796.40)	(8.07)%	(783.49)	(4.23)%	(1,624.17)	(10.57)%
Excise Duty	48.82	0.22%	113.12	0.61%	-	-
Employee benefit expense	401.48	1.80%	262.85	1.42%	196.63	1.28%
Finance costs	372.56	1.67%	329.54	1.78%	286.64	1.87%
Depreciation and amortisation expense	187.40	0.84%	162.56	0.88%	131.97	0.86%
Other expenses	1,288.39	5.79%	1,317.92	7.12%	1,219.83	7.94%
Total Expenses	**21,295.17**	95.71%	**17,898.74**	96.7%	**15,120.48**	98.44%
Profit before exceptional items and tax	**953.81**	4.29%	**611.11**	3.30%	**239.66**	1.56%
Exceptional items	173.69	0.78%	-	-	-	-
Profit before tax	**1,127.50**	5.07%	**611.11**	3.30%	**239.66**	1.56%
Tax expense						
Current Tax	405.60	1.82%	212.80	1.15%	121.26	0.79%
Deferred Tax	(6.16)	(0.03)%	6.84	0.04%	(36.47)	(0.24)%
Total Tax Expense	399.44	1.80%	219.64	1.19%	84.79	0.55%
Profit for the year (A)	**728.06**	3.27%	**391.47**	2.11%	**154.87**	1.01%
Other comprehensive income						
Items that will not be reclassified subsequently to profit or loss						
Remeasurements of defined benefit liability / (asset)	1.31	0.01%	0.86	0.00%	1.89	0.01%
Changes in fair value of equity instruments designated at FVOCI	0.16	0.00%	-	-	0.09	0.00%
Income tax relating to these items that will not be reclassified subsequently to profit or loss	(0.57)	(0.00)%	(0.30)	(0.00)%	(0.68)	(0.00)%
Other comprehensive income for the year, net of income tax (B)	0.90	0.00%	0.56	0.00	1.30	0.01%
Total comprehensive income for the year (A+B)	728.96	3.28%	392.03	2.12%	156.17	1.02%

Components of Income and Expenditure

Income

Our income comprises of revenue from operations and other income.

Revenue from Operations

We derive substantial portion of our total income from our operations, which consists primarily of revenues from sale of products made of gold; diamond, precious and semi-precious stones; silver; platinum; and novelties and accessories. Our revenue from sale of products comprises revenue from sale of manufactured goods and revenue from sale of traded goods. Further, we also derive a portion of our revenue from operations from sale of services (by way of job work income from overseas customers); and through other operating revenues, which consist primarily of franchise fees.

The following table sets out the product-wise revenue from sale of products (sale of manufactured goods and sale of traded goods) and as a percentage of total sale of products for the periods indicated:

Particulars	Fiscal					
	2018		2017		2016	
	Amount (₹ in million)	Percentage of sale of products (%)	Amount (₹ in million)	Percentage of sales of products (%)	Amount (₹ in million)	Percentage of sales of products (%)
Manufactured goods						
Gold jewellery	18,074.09	81.84%	17,281.53	94.18%	14,386.94	94.54%
Diamond jewellery and precious/semi-precious stones	1,123.32	5.08%	817.61	4.45%	714.25	4.69%
Silver jewellery and articles	108.09	0.49%	91.67	0.50%	48.19	0.32%
Platinum jewellery	25.47	0.12%	37.68	0.21%	26.61	0.17%
Novelty and accessories	75.00	0.34%	56.62	0.31%	42.39	0.28%
Total sale of manufactured goods	**19,405.97**	87.87%	**18,285.11**	99.65%	**15,218.38**	100.00%
Traded goods						
Gold jewellery	2,612.62	11.83%	57.91	0.32%	-	-
Precious/ semi-precious stones	-	0.00%	0.01	0.00%	-	-
Platinum jewellery	65.88	0.30%	6.23	0.03%	-	-
Silver jewellery and articles	0.50	0.00%	-	-	-	-
Total sale of traded goods	**2,679.00**	12.13%	**64.15**	0.35%	-	-

Other Income

In addition to our revenue from operations, we derive income in the form of, amongst others, (i) interest on fixed deposits with banks; (ii) income from commodity trading; (iii) interest income from others; (iv) unwinding of discount on financial assets; and (v) other non-operating income.

Expenditure

Our expenses comprise of (i) cost of materials consumed; (ii) purchases of stock-in-trade; (iii) change in inventories of finished goods, stock-in-trade and work in progress; (iv) excise duty; (v) employee benefit expense; (vii) finance costs; (viii) depreciation and amortisation expenses; and (ix) other expenses.

Cost of materials consumed

A substantial portion of our expenditure is incurred on the cost of materials consumed by us during the course of our operations. Purchases of gold bars comprise a significant majority of our cost of materials, followed by purchases of diamonds, precious and semi-precious stones. We also purchase materials such as silver bars, novelties and other accessories and platinum bars.

Purchases of stock-in-trade

Our purchases of stock in trade consists primarily of gold jewellery and also includes purchases of platinum jewellery, and silver jewellery and articles.

Changes in inventories of finished goods, stock-in-trade and work in progress

The net change in inventories of finished goods, stock-in-trade and work in progress is the difference between our opening stock and closing stock.

Employee benefit expense

Employee benefit expenses comprise salaries and bonus, contribution to provident and other funds, and staff welfare expenses.

Finance costs

Our finance costs consist primarily of interest expense on loans and others, unwinding of discount on provisions and financial liabilities and also include other borrowing costs such as processing fees.

Other expenses

We also incur expenses primarily in the form of, amongst others, (i) job work charges; (ii) advertising and sales promotion; (iii) rent; (iv) bank charges; (v) legal and professional fees; and (vi) miscellaneous expenses.

Year-on-Year Comparison

The following discussion of our financial condition and results of operations should be read in conjunction with our Restated Financial Information as of and for Fiscals 2018, 2017 and 2016 in this Draft Red Herring Prospectus.

Fiscal 2018 compared to Fiscal 2017

Income

Our total income increased by ₹3,739.13 million, or 20.20%, from ₹18,509.85 million in Fiscal 2017 to ₹22,248.98 million in Fiscal 2018.

Revenue from operations

Our revenue from operations increased by ₹3,716.72 million, or 20.17%, from ₹18,423.42 million in Fiscal 2017 to ₹22,140.14 million in Fiscal 2018. Further, our Adjusted Revenue increased by 20.65% to ₹22,091.32 million in Fiscal 2018 from ₹18,310.30 million in Fiscal 2017. This increase was primarily on account of additional revenue from addition of Company Operated Showrooms and Franchise Showrooms that were opened during Fiscal 2018 and from the full year operations of Company Operated Showrooms that commenced operations during Fiscal 2017. Additionally, the increase in revenue from operations can also be partially attributed to an increase in gold prices in Fiscal 2018 on an average as compared to Fiscal 2017, and to an increase in the sales of our existing stores. We strategically increased our focus on the sale of our traded good in Fiscal 2018 as compared to Fiscal 2017, which led to an addition in variety and inventory in our new and existing stores, which in-turn led to an increase in average sales in our new and existing stores, thereby resulting in additional revenue from operations in Fiscal 2018 as compared to Fiscal 2017.

Details of Adjusted Revenue

Consequent to introduction of Goods and Service Tax ("**GST**") with effect from July 1, 2017, central excise and value added tax have been subsumed into GST. In accordance with Ind AS 18, GST is not considered a part of revenue unlike excise duties. Accordingly, the figures for the year ending March 31, 2018 are not comparable with the previous fiscal years. Accordingly, for the purposes of presentation, revenue from operations have been presented as adjusted for excise duty as follows:

	Fiscal 2018 (₹ in million)	**Fiscal 2017 (₹ in million)**	**Fiscal 2016 (₹ in million)**
Revenue from operations (A)	22,140.14	18,423.42	15,315.19
Less: Excise duty (B)	48.82	113.12	-
Revenue from operations excluding excise duty (C=A-B) **("Adjusted Revenue")**	22,091.32	18,310.30	15,315.19

Note: Excise duty was charged by our Company till June 30, 2017. Excise duty was replaced by goods and services tax from July 1, 2017.

Other income

Our other income increased by ₹22.41 million, or 25.93%, from ₹86.43 million in Fiscal 2017 to ₹108.84 million in Fiscal 2018. This increase was primarily due to an increase in income from commodity trading, from ₹26.59 million in Fiscal 2017 to ₹45.89 million in Fiscal 2018; and also partially due to an increase in interest on fixed deposits with banks, from ₹38.14 million in Fiscal 2017 to ₹42.62 million in Fiscal 2018. The variation in gold price on our purchases of gold, the primary raw material for our operations, is usually hedged by the acquisition of gold futures. The increase in income from commodity trading mentioned above is attributed to the gains realised on account of the difference between the spot and the forward rate of such gold futures acquired by us.

Expenses

Our total expenses increased by ₹3,396.43 million, or 18.98%, from ₹17,898.74 million in Fiscal 2017 to ₹21,295.17 million in Fiscal 2018.

Cost of materials consumed

Our cost of materials consumed increased by ₹868.19 million, or 5.35%, from ₹16,213.88 million in Fiscal 2017 to ₹17,082.07 million in Fiscal 2018, primarily on account of (a) additional expenditure on inventory for our expanded Company Operated Showroom and Franchise Showroom network which had increased from 84 showrooms as on March 31, 2017 to 90 showrooms as on March 31, 2018; and (b) a significant increase in the expense on the acquisition diamonds and precious/ semi-precious stones primarily on account of increase in our focus on the sale of diamond jewellery sold, in line with our strategy to increase focus on the sale of fast-moving diamond jewellery. For further details, please see "*Business – Business Strategies - Continue to increase focus on sale of fast-moving diamond jewellery*" on page 136. The cost of materials consumed represents 77.32% of our Adjusted Revenue in Fiscal 2018 and 88.55% of our Adjusted Revenue in Fiscal 2017.

Purchase of stock-in-trade

Our purchase of stock-in-trade increased significantly, by ₹3,428.49 million, from ₹282.36 million in Fiscal 2017 to ₹3,710.85 million in Fiscal 2018. This increase in purchase of stock-in-trade is due to a significant increase in the purchase of finished goods for trading during Fiscal 2018 as compared to Fiscal 2017, primarily for (a) faster acquisition of finished goods for meeting demands of customers; and (b) access to a variety of designs, in line with our strategy to continue to increase focus on sale of fast-moving jewellery. The purchase of stock-in-trade increased to 16.80% of our Adjusted Revenue in Fiscal 2018 from 1.54% of our Adjusted Revenue in Fiscal 2017.

Changes in inventories of finished goods, stock-in-trade and work in progress

The change in inventories of finished goods, stock-in-trade and work in progress amounted to ₹1,796.40 million in Fiscal 2018 as compared to ₹783.49 million in Fiscal 2017. The inventory build-up at the end of Fiscal 2018 can be attributed to the festivals of *Akshay Tritya* and *Poila Boishakh* which occurred during the month of April in 2018.

Excise duty

Our excise duty decreased by ₹64.30 million, or 56.84%, from ₹113.12 million in Fiscal 2017 to ₹48.82 million in Fiscal 2018. This decrease in excise duty was the result of discontinuation of excise duty on our products from July 1, 2017, with the introduction of goods and services tax regime. For further details please see "*Risk Factors – External Risk Factors – Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, results of operations, financial condition and prospects*" on page 44.

Employee benefits expense

Our employee benefits expense increased by ₹138.63 million, or 52.74%, from ₹ 262.85 million in Fiscal 2017 to ₹401.48 million in Fiscal 2018. This increase was primarily due to an increase in employee count in Fiscal 2018 as compared to Fiscal 2017 on account of our requirement to staff our new showrooms opened during Fiscal 2018; the provision of performance bonus to our employees in Fiscal 2018 as compared to 2017; the payment of leave encashment to our employees; and in part due to the year on year increments to our employees in Fiscal 2018 as compared to Fiscal 2017. Our employee benefit expenses were 1.82% of our Adjusted Revenue in Fiscal 2018 compared to 1.44% of our Adjusted Revenue in Fiscal 2017.

Finance costs

Our finance costs increased by ₹43.02 million, or 13.05%, from ₹329.54 million in Fiscal 2017 to ₹372.56 million in Fiscal 2018. Even though we experienced higher sales during Fiscal 2018, our finance costs only increased marginally, primarily due to the refinancing of certain of our high cost debt during the year; and also because of a judicious mix of gold-metal loans and cash credit facilities obtained by us (since gold-metal loans are typically less expensive than cash credit facilities).

Depreciation and amortisation expense

Our depreciation and amortization expense increased by ₹24.84 million, or 15.28%, from ₹162.56 million in Fiscal 2017 to ₹187.40 million in Fiscal 2018. This increase was primarily due to depreciation charged on additional fixed assets as a result of the showroom expansion carried out in Fiscal 2017 and 2018.

Other expenses

Our other expenses decreased by ₹29.53 million, or 2.24%, from ₹1,317.92 million in Fiscal 2017 to ₹1,288.39 million in Fiscal 2018. This decrease was primarily due to a gain in excise duty amounting to ₹48.35 million in Fiscal 2018, as compared to an expense of ₹43.28 million on excise duty in Fiscal 2017. This gain was due to the discontinuation of excise duty by the Government from July 1, 2017. Further, the decrease in our advertising and sales promotion expenses from ₹375.74 million in Fiscal 2017 to ₹346.93 million in Fiscal 2018 also contributed in part to the decrease in other expenses in Fiscal 2018 as compared to Fiscal 2017. We experienced a significant increase in our expenditure on advertising and sales promotion in Fiscals 2017 and 2016, due to expansion of our showroom network, which was rationalised in Fiscal 2018, resulting in a decrease during the year. The decrease in other expenses was partially set-off by an increase in job work charges from ₹338.55 million in Fiscal 2017 to ₹362.75 million in Fiscal 2018; an increase in rent from ₹203.66 million in Fiscal 2017 to ₹231.74 million in Fiscal 2018; an increase in bank charges from ₹82.32 million in Fiscal 2017 to ₹92.04 million in Fiscal 2018; and an increase in miscellaneous expenses from ₹72.68 million in Fiscal 2017 to ₹104.42 million in Fiscal 2018.

Profit before exceptional items and tax

As a result of the foregoing, our profit before exceptional items and tax increased by ₹342.70 million, or 56.08%, from ₹611.11 million in Fiscal 2017 to ₹953.81 million in Fiscal 2018.

Exceptional items

We earned a gain of ₹173.69 million on the sale of two of our properties in Bow Bazar and City Centre, Kolkata, during Fiscal 2018. Since the realisation upon sale was higher than the book values of the properties, an accounting profit has been indicated in the year.

Profit before tax

As a result of the foregoing, our profit before tax increased by ₹516.39 million, or 84.50%, from ₹611.11 million in Fiscal 2017 to ₹1,127.50 million in Fiscal 2018. Our profit before tax increased from 3.30% of our total income in Fiscal 2017 to 5.07% of our total income in Fiscal 2018.

Tax expense

Our tax expense increased by ₹179.80 million, or 81.86%, from ₹219.64 million in Fiscal 2017 to ₹399.44 million in Fiscal 2018. This increase was primarily due to increased profitability resulting from higher sales and revenue recognition.

Profit for the year

Our profit for the year increased by ₹336.59 million, or 85.98%, from ₹391.47 million in Fiscal 2017 to ₹728.06 million in Fiscal 2018. Our profit for the year increased from 2.11% of our total income in Fiscal 2017 to 3.27% of our total income in Fiscal 2018. Our profit for the year increased from 2.14% of our Adjusted Revenue in Fiscal 2017 to 3.30% of our Adjusted Revenue in Fiscal 2018.

Total comprehensive income for the year

Our total comprehensive income for the year was ₹728.96 million in Fiscal 2018 as compared to ₹392.03 million in Fiscal 2017.

Fiscal 2017 compared to Fiscal 2016

Income

Our total income increased by ₹3,149.71 million, or 20.51%, from ₹15,360.14 million in Fiscal 2016 to ₹18,509.85 million in Fiscal 2017.

Revenue from operations

Our revenue from operations increased by ₹3,108.23 million, or 20.30%, from ₹15,315.19 million in Fiscal 2016 to ₹18,423.42 million in Fiscal 2017. Further, our Adjusted Revenue increased by 19.56% to ₹18,310.30 million in Fiscal 2017 from ₹15,315.19 million in Fiscal 2016. This increase was primarily on account of additional revenue from addition of Company Operated Showrooms and Franchise Showrooms that were opened during Fiscal 2017 and from the full year operations of Company Operated Showrooms that commenced operations during Fiscal 2016. Additionally, the increase in revenue from operations can also be partially attributed to an increase in gold prices in Fiscal 2017 on an average as compared to Fiscal 2016, and to an increase in the sales of our existing stores in Fiscal 2017. Further, an industry-wide strike of jewellers commencing on March 2, 2016 for a period of over 40 days also result in lower sales in Fiscal 2016 as compared to Fiscal 2017, thereby leading to a decrease in revenue from operations in Fiscal 2016 as compared to Fiscal 2017.

Details of Adjusted Revenue

Consequent to introduction of Goods and Service Tax ("**GST**") with effect from July 1, 2017, central excise and value added tax have been subsumed into GST. In accordance with Ind AS 18, GST is not considered a part of revenue unlike excise duties. Accordingly, the figures for the year ending March 31, 2018 are not comparable with the previous fiscal years. Accordingly, for the purposes of presentation, revenue from operations have been presented as adjusted for excise duty as follows:

	Fiscal 2018 (₹ in million)	**Fiscal 2017 (₹ in million)**	**Fiscal 2016 (₹ in million)**
Revenue from operations (A)	22,140.14	18,423.42	15,315.19
Less: Excise duty (B)	48.82	113.12	-
Revenue from operations excluding excise duty (C=A-B) **("Adjusted Revenue")**	22,091.32	18,310.30	15,315.19

Note: Excise duty was charged by our Company till June 30, 2017. Excise duty was replaced by goods and services tax from July 1, 2017.

Other income

Our other income increased by ₹41.48 million, or 92.28%, from ₹44.95 million in Fiscal 2016 to ₹86.43 million in Fiscal 2017. This increase was primarily due to an increase in income from commodity trading, from nil in Fiscal 2016 to ₹26.59 million in Fiscal 2017; and also because of an increase in interest on fixed deposits with banks, from ₹33.21 million in Fiscal 2016 to ₹38.14 million in Fiscal 2017. As mentioned above, we hedge our gold procurements by purchasing gold futures and the commodity trading gains mentioned here are translational gains in relation to such gold futures.

Expenses

Our total expenses increased by ₹2,778.26 million, or 18.37%, from ₹15,120.48 million in Fiscal 2016 to ₹17,898.74 million in Fiscal 2017.

Cost of materials consumed

Our cost of materials consumed increased by ₹1,304.30 million, or 8.75%, from ₹14,909.58 million in Fiscal 2016 to ₹16,213.88 million in Fiscal 2017, primarily on account of additional expenditure on inventory for our expanded showroom network which had increased from 73 showrooms as on March 31, 2016 to 84 showrooms as on March 31, 2017; and also on account of an industry-wide strike during the month of March 2016, which resulted in an inventory build-up at the end of Fiscal 2016. Further, the comsumption of gold bars has increased by 8.75%, from ₹14,293.46 million in Fiscal 2016 to ₹15,544.39 million in Fiscal 2017. The cost of materials consumed decreased to 88.55% of our Adjusted Revenue in Fiscal 2017 from 97.35% of our Adjusted Revenue in Fiscal 2016.

Purchase of stock-in-trade

Our purchase of stock-in-trade increased from nil in Fiscal 2016 to ₹282.36 million in Fiscal 2017. Prior to Fiscal 2017, we did follow the practice of trading goods and our operations were limited to manufacturing of jewellery products on a job-work basis through our *Karigars*. We commenced the practice of trading goods primarily for (a) faster acquisition of finished goods for meeting demands of customers; and (b) access to a variety of designs, in line with our strategy to continue to increase focus on sale of fast-moving jewellery.

Changes in inventories of finished goods, stock-in-trade and work in progress

The change in inventories of finished goods, stock-in-trade and work in progress amounted to ₹783.49 million in Fiscal 2017 as compared to ₹1,624.17 million in Fiscal 2016. The inventory build-up at the end of Fiscal 2016 can be attributed to an industry-wide strike, which commenced on March 2, 2016, and extended for a period of over 40 days. The strike was a result of the Union Budget's proposal to levy one percent excise duty on non-silver jewellery. The inventory build-up at the end of Fiscal 2017 and Fiscal 2016 can also be attributed to the festivals of *Akshay Tritya* and *Poila Boishakh* which occurred during the month of April 2017 and April 2016, respectively.

Excise duty

Our excise duty increased from nil in Fiscal 2016 to ₹113.12 million in Fiscal 2017. On March 2, 2016, the Finance Minister as a part of the Union Budget proposed levying one percent excise duty on non-silver jewellery. This culminated into a 40 day strike, demanding rollback of proposed excise duty on non-silver jewellery.

Employee benefits expense

Our employee benefits expense increased by ₹66.22 million, or 33.68%, from ₹196.63 million in Fiscal 2016 to ₹262.85 million in Fiscal 2017. This increase was primarily due to the requirement of staffing our new showrooms opened in Fiscal 2017 as well as on standard year-on-year increment in wages from Fiscal 2016 to Fiscal 2017. Our employee benefit expenses were 1.44% of our Adjusted Revenue in Fiscal 2017 compared to 1.28% of our Adjusted Revenue in Fiscal 2016.

Finance costs

Our finance costs increased by ₹ 42.90 million, or 14.97%, from ₹ 286.64 million in Fiscal 2016 to ₹ 329.54 million in Fiscal 2017. This increase was primarily due to higher borrowings in Fiscal 2017 on account of growth in business operations.

Depreciation and amortisation expense

Our depreciation and amortisation expense increased by ₹30.59 million, or 23.18%, from ₹131.97 million in Fiscal 2016 to ₹162.56 million in Fiscal 2017. This increase was primarily due to depreciation charged on additional fixed assets as a result of the showroom expansion carried out in Fiscal 2016.

Other expenses

Our other expenses increased by ₹98.09 million, or 8.04%, from ₹1,219.83 million in Fiscal 2016 to ₹1,317.92 million in Fiscal 2017. This increase was primarily due to an increase in rent, from ₹163.49 million in Fiscal 2016 to ₹203.66 million in Fiscal 2017. The increase in other expenses was also on account of an increase in job work charges from ₹314.29 million in Fiscal 2016 to ₹338.55 million in Fiscal 2017; an increase in excise duty related to inventory of finished goods, which increased from ₹5.84 million in Fiscal 2016 to ₹43.28 million in Fiscal 2017; and an increase in bank charges from ₹58.72 million in Fiscal 2016 to ₹82.32 million in Fiscal 2017. The increase in other expenses was partially set-off by a decrease in advertising and sales promotion from ₹421.36 million in Fiscal 2016 to ₹375.74 million in Fiscal 2017. Advertising and sales promotion expenses increased significantly in Fiscal 2016, due to our expansion of showrooms during the year. The expense on advertising and sales promotion was normalised in Fiscal 2017, which was the result of the decrease in Fiscal 2017 as compared to Fiscal 2016.

Profit before tax

As a result of the foregoing, our profit before tax increased by ₹371.45 million, or 154.99%, from ₹239.66 million in Fiscal 2016 to ₹611.11 million in Fiscal 2017. Our profit before tax increased from 1.56% of our total income in Fiscal 2016 to 3.30% of our total income in Fiscal 2017.

Tax expense

Our total tax expense increased by ₹134.85 million, or 159.04%, from ₹84.79 million in Fiscal 2016 to ₹219.64 million in Fiscal 2017. This increase was primarily due to increased profitability resulting from higher sales and revenue recognition.

Profit for the year

Our profit for the year increased by ₹236.60 million, from ₹154.87 million in Fiscal 2016 to ₹391.47 million in Fiscal 2017. Our profit for the year increased from 1.01% of our total income in Fiscal 2016 to 2.11% of our total income in Fiscal 2017. Our profit for the year increased from 1.01% of our Adjusted Revenue in Fiscal 2016 to 2.14% of our Adjusted Revenue in Fiscal 2017.

Total comprehensive income for the year

Our total comprehensive income for the year was ₹392.03 million in Fiscal 2017 as compared to ₹156.17 million in Fiscal 2016.

Liquidity and Capital Resources

Historically, our primary liquidity requirements have been to finance our working capital requirements. Our business requires a substantial amount of working capital to finance the purchase of gold, diamonds and other inventory. As at March 31, 2018, our total outstanding debt (includes long term borrowings, current maturities of long term borrowing included under other Financial Liability and short term borrowing) was ₹5,837.94 million. As at June 15, 2018, our total outstanding debt (includes long term borrowings, current maturities of long term borrowing and short term borrowing) was ₹5,169.83 million (including gold metal loans of 989 kilograms amounting approximately to ₹2,959.42 million). For further information, see "*Financial Indebtedness*" and "*Financial Statements*" on page 436 and 189, respectively. Our working capital (i.e. current assets less current liabilities) as at March 31, 2018 was ₹2,716.58 million. The total working capital amount outstanding is ₹5,133.48 million (including gold metal loans of 989 kilograms amounting approximately to ₹2,959.42 million). We avail majority of our working capital facilities from various banks. Our outstanding gold metal loans as at March 31, 2018 was ₹3,574.03 million. It was used by us to procure gold under the gold loan facilities. We source gold for our operations from bullion banks and benefit from significantly lower interest rates under prevailing gold loan facilities as compared to the interest rates payable under fund-based loans. By procuring gold under the gold loan facilities, we are able to fix the price of gold on the basis of the actual price at which we sell the gold jewellery to our customers within the applicable credit period, thereby minimising any risk to us relating to gold price fluctuations in the period between procurement of the gold and the sale of finished gold jewellery to our customers. In addition, under such gold loan facilities we typically issue letters of credit against margin money in the form of fixed deposits and hence have reduced our dependence on the use of fund-based credit facilities. In the event of any adverse regulatory development or in the event that we are otherwise not able to procure gold under such gold loan facilities, we may not be able to benefit from such lower interest rates or the ability to fix the price within the specified credit period at the same price at which we sell gold jewellery to our customers.

For details on how we propose to use the Net Proceeds of the Issue, please see "*Object of the Issue*" on page 92.

We believe that our cash flow from operations, the Net Proceeds from the Issue and our borrowings will be sufficient to provide us with the funds for our working capital and capital expenditure requirements for at least the next 12 months. In the future, as we expand our business, our capital needs will increase and we may need to raise additional capital through further debt finance and additional issues of Equity Shares.

Cash Flows

The following table sets forth selected items from our restated standalone summary statement of cash flow statement for the periods indicated:

Particulars	**Fiscal**		
	2018	**2017**	**2016**
	(₹ in million)		
Net cash provided/ (used) by operating activities	(483.24)	40.86	(1,083.44)
Net cash provided/ (used) by investing activities	(345.64)	26.19	(377.40)
Net cash provided/ (used) by financing activities	1,131.41	(332.48)	2,022.04
Net increase / (decrease) in cash and cash equivalents	302.53	(265.43)	561.20
Cash and cash equivalents at the beginning of the year	428.33	693.76	130.74
Cash and cash equivalents at the end of the year	730.86	428.33	693.76

Operating Activities

Fiscal 2018

Net cash used by operating activities was ₹483.24 million in Fiscal 2018, primarily consisting of an operating cash flow before working capital changes of ₹1,456.27 million. The working capital adjustments primarily attributable to an increase in inventories by ₹2,388.93 million, increase in loans and advances and other assets by ₹66.90 million, which was partially offset by decrease in trade receivable by ₹267.20 million, and increase in other liabilities and provisions by ₹301.16 million and increase in trade payables by ₹221.64 million.

Fiscal 2017

Net cash generated by operating activities was ₹40.86 million in Fiscal 2017, primarily consisting of an operating cash flow before working capital changes of ₹1,029.85 million The working capital adjustments primarily attributable to an decrease in trade receivable by ₹145.84 million, increase in other liabilities and provisions by ₹169.56 million which was partially offset by increase in inventories by ₹888.59 million, loans and advances and other assets by ₹81.80 million, decrease of trade payables by ₹173.90 million.

Fiscal 2016

Net cash used in operating activities was ₹1,083.44 million in Fiscal 2016, primarily consisting of an operating cash flow before working capital changes of ₹585.78 million The working capital adjustments primarily attributable to an increase in inventories by ₹1,513.43 million, an increase in trade receivables by ₹320.58 million, which was partially offset by an increase in trade payables by ₹439.93 million; increase in loans and advances and other assets by ₹45.20 million, decrease in other liabilities and provisions of ₹31.17 million.

Investing Activities

Fiscal 2018

Net cash used by investing activities was ₹345.64 million in Fiscal 2018, primarily consisting of fixed deposits placed with banks (with maturity more than three months) of ₹422.01 million; and purchases of property, plant and equipment, intangible assets, capital work-in-progress and capital advances of ₹152.34 million, offset in part by proceeds from sale of property, plant and equipment of ₹186.00 million; and interest received of ₹42.71 million.

Fiscal 2017

Net cash provided by investing activities was ₹26.19 million in Fiscal 2017, primarily consisting of fixed deposits matured (with maturity more than three months) of ₹182.72 million; and interest received of ₹50.34 million, offset partially by purchases of property, plant and equipment, intangible assets, capital work-in-progress and capital advances of ₹207.87 million.

Fiscal 2016

Net cash used by investing activities was ₹377.40 million in Fiscal 2016, primarily consisting of purchases of property, plant and equipment, intangible assets, capital work-in-progress and capital advances of ₹356.56 million; and fixed deposits placed with banks (with maturity more than three months) of ₹52.74 million, offset in part by interest received of ₹31.85 million.

Financing Activities

Fiscal 2018

Net cash provided by financing activities was ₹1,131.41 million in Fiscal 2018, primarily consisting of proceeds from other borrowings (net) of ₹1,607.51 million taken from banks, which was partially offset by interest paid of ₹365.00 million; and repayment of long term borrowings of ₹112.92 million.

Fiscal 2017

Net cash used in financing activities was ₹332.48 million in Fiscal 2017, primarily consisting of interest paid of ₹328.66 million, dividend paid of ₹55.51 million; dividend distribution tax paid of ₹11.28 million and repayment of long term borrowings of ₹40.07 million, which was partially offset by proceeds from other borrowings (net) of ₹99.94 million.

Fiscal 2016

Net cash provided by financing activities was ₹2022.04 million in Fiscal 2016, primarily consisting of proceeds from other borrowings (net) of ₹2,333.63 million and proceeds from long term borrowings of ₹28.73 million, which was partially offset by interest paid of ₹270.74 million and repayment of long term borrowings of ₹42.90 million, dividend paid of ₹22.17 million; dividend distribution tax paid of ₹4.51 million.

Indebtedness

As at March 31, 2018, our total outstanding debt (includes long term borrowings, current maturities of long term borrowing included under other Financial Liability and short term borrowing) was ₹5,837.94 million. As at June 15, 2018, our total outstanding debt (includes long term borrowings, current maturities of long term borrowing and short term borrowing) was ₹5,169.83 million (including gold metal loans of 989 kilograms amounting approximately to ₹2,959.42 million). For further information, see "*Financial Indebtedness*" and "*Financial Statements*" on page 436 and 189, respectively.

The following table sets forth information relating to our total indebtedness as of March 31, 2018 as per our Restated Standalone Financial Information.

(₹ in million)

Particulars	As at March 31, 2018
Long-term borrowings	
Non-current	
Term loan from other parties (secured)	2.19
Vehicle loan from banks (secured)	2.03
Current	
Term loans from bank (secured)	23.87
Term loan from other parties (secured)	1.19
Vehicle loan from banks (secured)	0.56
Short-term borrowings	
Loans repayable on demand	
- Cash credit and overdraft facilities from banks (secured)	1,634.07
- Gold metal loans (secured)	3,574.03
- Short term loan (secured)	600.00

Capital Expenditure

We expect to incur total capital expenditure of ₹355.88 million over Fiscals 2019, 2020 and 2021, towards the establishment of new showrooms from the Net Proceeds. For further details please see "*Object of the Issue*" on page 92. Our capital expenditure plans are based on management estimates and are subject to a number of variables, including availability of financing on acceptable terms, the desirability of current plans and macroeconomic factors such as the economy at large or factors affecting the jewellery industry.

Contingent Liabilities

The following table sets forth the components of our contingent liabilities as at Fiscals 2018, 2017, 2016, 2015 and 2014:

(₹ in million)

Particulars	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Income Tax demands (under appeal)	86.75	87.59	87.59	71.18	31.07
Sales tax/VAT matters (under dispute/appeal)	7.32	4.19	3.03	3.03	3.03
Central Excise (under dispute/appeal)	18.65	9.33	9.33	9.33	9.33
Corporate Guarantee given by our Company for loan availed by its subsidiary – Addyashakti Properties Private Limited	-	-	-	240.00	240.00
Service Tax (under dispute/appeals)	27.50	5.93	-	-	-

Related Party Transactions

We have entered into and expect to enter into transactions with a number of related parties, including our Promoters. For further information regarding our related party transactions, see see "*Financial Statements – Restated Standalone Financial Information – Note 35: Related Party Transactions*" and "*Financial Statements – Restated Consolidated Financial Information – Note 34: Related Party Transactions*" on pages 276 and 375, respectively

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, derivative instruments or other relationships with other entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

Quantitative and Qualitative Disclosure about Market Risks

Commodity Price Risk

We are subject to market risks related to the volatility in the price of gold and diamonds, and to a lesser extent, platinum, silver and other precious stones. Our financial results can be affected significantly by fluctuations in these prices, which depend on many factors, including demand for these materials, changes in the economy, world-wide production levels, world-wide inventory levels and disrupt ions in the supply chain. We endeavour to buy the same Rupee value of gold at the end of each day that we sold across all of our showrooms that day. Therefore, if the price of gold increases we purchase less volume of gold compared with the volume of gold sold and vice versa. This practice helps to mitigate the risk of changes in gold prices. However, there is no assurance our gold purchasing practice will adequately protect us from price fluctuations in gold. For further details, please see, "*Risk Factors - The non-availability or high cost of quality gold bullion and diamonds may have an adverse effect on our business, results of operations, financial condition and prospects"* on page 24.

Interest Rate Risk

As at March 31, 2018, we had outstanding short term borrowings of ₹5,808.10 million that were at floating rate of interest. It exposes us to market risk as a result of changes in interest rates. We undertake debt obligations primarily to support our working capital needs and capital expenditure. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. Upward fluctuations in interest rates increase the cost of debt and interest cost of outstanding variable rate borrowings. We do not currently use any derivative instruments to hedge the nature of our debt so as to manage our interest rate risk. For further details, please see, "Risk factors - *Our Company requires significant amounts of working capital for continued growth. Our inability to meet our working capital requirements, on commercially acceptable terms, may have an adverse impact on our business, financial condition and results of operations.*" on page 21.

General

Market risk is the risk of loss of future earnings, to fair values or to future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the foreign currency exchange rates, interest rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments, foreign currency payables and debt.

Significant Developments after March 31, 2018

As on the date of this DRHP, there are no developments after March 31, 2018 that are expected to have a material impact on our reserves, profits, earnings per Equity Share, book value or ability to pay our liabilities within the next twelve months.

Further, following mentioned corporate actions occurred after March 31, 2018 will not materially and adversely affect or is likely to affect the trading or profitability of the Company, or the value of its assets, or its ability to pay its liabilities in the next twelve months:

1. The board of directors have pursuant to its board resolution dated May 22, 2018 have adopted the ESOP Plan.

2. The board of directors have pursuant to its board resolution dated May 6, 2018 approved the bonus issue of 35,457,408 Equity Shares and 8,864,102 CCPS.

3. The Company and its Individual Promoters are contesting a petition filed by the Deputy Director of Income Tax (Investigation) of the Income Tax Department, Kolkata before the Court of Chief Judicial Magistrate at Alipore, Kolkata. For further details, please see *Outstanding Litigation and Material Development – Litigation involving our Promoters"* on page 450.

Unusual or infrequent events or transactions

Except as discussed in this Draft Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

Significant economic changes that materially affect or are likely to affect income from continuing operations

Except as discussed in this Draft Red Herring Prospectus, to our knowledge, there have been no significant economic changes that are likely to have a material adverse impact on our operations or financial condition.

Known trends or uncertainties

Our business has been, and we expect will continue to be impacted by the trends identified in this section and the uncertainties described in "*Risk Factors*" on page 20. To our knowledge, except as we have described in this Draft Red Herring Prospectus, there are no known factors, which we expect to have a material adverse impact on our revenues or income from continuing operations.

Future changes in relationship between costs and revenues

Except as described in this section and in "*Risk Factors*" and "*Our Business*" on pages 20 and 130, respectively, to our knowledge, there is no future relationship between expenditure and income that will have a material adverse impact on our operations and finances.

Publicly announced new products or business segments /material increases in revenue due to increased disbursements and introduction of new products

Other than as disclosed in this section and in "*Our Business*" on page 130, there are no new products or business segments that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

Significant regulatory changes that materially affected or are likely to affect income from continuing operations

Except as described in "*Key Regulations and Policies in India*" on page 143, there have been no significant regulatory changes that have materially affected or are likely to affect our income from continuing operations.

The extent to which our business is seasonal

Our sector has seasonal increases and decreases in revenues and profitability, corresponding with weddings and festivals. Historically, the first quarter and third quarter have been more profitable than the second quarter and fourth quarter of every fiscal. We offer increased discounts and promotions in those quarters when there are fewer weddings and no important festivals in order to increase revenue. Also see, "*—Significant factors affecting our results of operations – Seasonality*" and "*Risk Factors – Our income and sales are subject to seasonal fluctuations and lower income in a peak season may have a disproportionate effect on our results of operation.*" on pages 408 and 24, respectively.

Competitive conditions

The Indian jewellery industry is highly fragmented and dominated by the unorganized sector, from which the organized jewellery sector faces intense competition. The players in the unorganized sector offer their products at highly competitive prices and many of them are well established in their respective local areas. We also compete against organised national, regional and local players. For further details, please see "*Our Business – Competition*" on page 142.

FINANCIAL INDEBTEDNESS

Our Company avails loans in the ordinary course of business, primarily for the purposes of meeting working capital requirements, procurement of gold for domestic or export use, and jewelry manufacturing. Our term loan has been availed for the purpose of purchasing a property for the purpose of setting up retail sales showroom in Kolkata. Our Directors and Individual Promoters, namely, Sankar Sen and Suvankar Sen, and a member of our Promoter Group, namely, Ranjana Sen, have provided personal guarantees in relation to some of these loans.

Pursuant to the resolution passed at our Extraordinary General Meeting held on March 28, 2018 our Board (including any Committee of the Board) is authorized, in accordance with Section 180(1)(c) of the Companies Act, to borrow any sum or sums of money from time to time at its discretion, for the purpose of the business of our Company from any one of more banks, financial institutions and other persons or firms, subject to such aggregate borrowings not exceeding the amount which is ₹6,500 million.

Set forth below is a brief summary of our aggregate borrowings as on June 15, 2018:

(₹ in million)

Term Loans	**Amount sanctioned**	**Amount outstanding as on June 15, 2018**
Term loan (secured)	75.00	30.70
Vehicle loan (secured)	9.60	5.65

(₹ in million)

Working Capital Facilities ("Working Capital Consortium Facility")	**Amount sanctioned**	**Amount outstanding as on June 15, 2018**
Cash credit ("**CC**") and working capital demand loan ("**WCDL**") (secured)	5,500.00	2,174.06

*Note: Stand-by letter of credit ("**SBLC**") and CC limit earmarked for availing of gold metal loans ("**GML**"), pre-shipment in foreign currency ("**PSFC**") & others, exists as a sublimit of the main CC and WCDL limit, as a part of the Worlking Cpital Consortium Facility*

(₹ in million)

Gold Metal Loan ("GML")	**Amount sanctioned**	**Amount outstanding as on June 15, 2018**
Gold metal loan	5,930.00 (outside consortium) and 1,420.00 (as sub-limit within consortium through CC limit being earmarked)	989 kilograms of gold having value of ₹2,959.42 million (approximately)

Note:

1. GMLs are availed by the Company against security given in the form of, amongst others, SBLC provided using the limit of the Working Capital Consortium Facility, CC limits within the Working Capital Consortium Facility being earmarked, fixed deposits and margin accounts

2. The amount outstanding as on June 15, 2018 for GMLs has been obtained in kilograms. The value of the same has been calculated based on the approximate outstanding value provided by the respective bank (who have sanctioned the facilities)

3 The sanction limit of GMLs outside the Working Capital Consortium Facility amounting to ₹5,930.00 million is restricted to ₹5,390.00 million in case the sanctioned amount of ₹1,420.00 million is utilised (as there exist overlap limit of ₹540.00 million provided by HDFC Bank Limited under the GML sanction limit.outside the Working Capital Consortium Facility)

4. *The CC limit earmarked for GMLs of ₹1,420.00 million can be utilized to the extent of the GML amount + margin.*
5. *Set forth below are details of our borrowings post June 15, 2018:*
   i) *Short term demand loan (adhoc) from HDFC Bank Limted aggregating to ₹200 million as on June 21, 2018; and*
   ii) *Auto loan taken from HDFC Bank Limited aggregating to ₹1.23 million.*

Principal terms of the borrowings availed by us:

1. ***Working Capital Credit Facility (In Consortium with Allahabad Bank, State Bank of India, Axis Bank Limited, Kotak Mahindra Bank Limited, HDFC Bank Limited, Yes Bank, The South Indian Bank Limited, IndusInd Bank Limited, IDFC Bank and DCB Bank Limited***

Sr. No.	Lender	Particulars of the documentation	Amount sanctioned (₹ *in million)*	Amount outstanding as on June 15, 2018 (₹ *in million)*	Interest rate/commission rate
A	Allahabad Bank	Consortium agreement dated January 9, 2017; the minutes of the consortium meeting dated May 10, 2018 for the meeting held on May 3, 2018***; and sanction letter No. BR/ADV/STH/SGL/2017-18/61 dated February 3, 2018.	Cash credit limit ("**CC Facility**"): 1,140	243.32	Interest: 9.95% per annum
			Bank Guarantee/ SBLC (Sub-limit of CC Facility): 570	*#685.00	Commission:50% of normal charges plus applicable GST, payable upfront
B	State Bank of India	Consortium agreement dated January 9, 2017; the minutes of the consortium meeting dated May 10, 2018 for the meeting held on May 3, 2018***; sanction letter No. OBK/AMT-I/16-17/653 dated March 30, 2017; and sanction letter No. OBK/AMT-1/18-19//1 dated May 15, 2018.	Cash credit limit ("**CC Facility**"): 650	623.51	Interest: 9.65% per annum
			Bank Guarantee/ SBLC (Sub-limit of CC Facility): 500	Nil	Commission: 1.60% per annum
C	Axis Bank Limited	Consortium agreement dated January 9, 2017; the minutes of the consortium meeting dated May 10, 2018 for the meeting held on May 3, 2018***; sanction letter No. AB/CCG/KOL/2017-18/138 dated July 17, 2017 and sanction letter No AB/CCG/KOL/2018-19/065 dated June 26, 2018	Cash credit limit ("**CC Facility**): 540	99.04	Interest: 10.10% per annum
			SBLC (Sub-limit of CC Facility): 540	*440.00	Commission: 1% per annum + applicable taxes

Sr. No.	Lender	Particulars of the documentation	Amount sanctioned (₹ *in million)*	Amount outstanding as on June 15, 2018 (₹ *in million)*	Interest rate/commission rate
D	Kotak Mahindra Bank Limited	Consortium agreement dated January 9, 2017; the minutes of the consortium for the meeting dated November 9, 2017; the minutes of the consortium meeting dated May 10, 2018 for the meeting held on May 3, 2018***; sanction letter No. CBMM/19092017/64287 dated October 16, 2017; and letter No. CBMM/19092017/64287/Addendum dated December 4, 2017.	i.Working capital demand loan ("**WCDL Facility**"): 560 ii.Cash credit limit (Sub-limit of WCDL): 250	68.81	Interest: 9.70% per annum
			i.Bank Guarantee/ SBLC (Sub-limit of WCDL Facility): 560 ii.Gold (Metal) Loan (Sub-limit of WCDL Facility earmarked): 560	*160.00 **330.00	Commission: 1.30% per annum
E	HDFC Bank Limited	Consortium agreement dated January 9, 2017; the minutes of the consortium meeting dated May 10, 2018 for the meeting held on May 3, 2018***; and sanction letter No. CAM012411160003 dated March 8, 2018	i.Cash credit limit ("**CC Facility**)": 900 ii.Working capital demand loan (Sub-limit of CC Facility): 900	357.38	Interest: 9.45% per annum
			i.Bank Guarantee (Sub-limit of CC Facility): 195 ii.SBLC (Sub-limit of CC Facility): 195 iii.Gold (Metal) Loan (Sub-limit of CC Facility earmarked): 540	**540.00	Commission: 0.75% per annum
F	Yes Bank	Consortium agreement dated January 9, 2017; the minutes of the consortium meeting dated May 10, 2018 for the meeting held on May 3, 2018***; sanction letter No. YBL/DEL/FL840/2017-18 dated August 10, 2017; sanction letter No. YBL/DEL/FL/834/2017-18 dated August 9, 2017.	i.Cash credit limit (Sub-limit of WCDL Facility): 400 ii.Working capital demand loan ("**WCDL Facility**)": 400	62.50	Interest: 9.25% per annum
			i.SBLC (Sub-limit of WCDL Facility): 125 ii.Gold (Metal) Loan (Sub-limit of WCDL Facility earmarked): 320	**320.00	Commission: 0.75% per annum
G		Consortium agreement dated January 9, 2017; the minutes of the consortium meeting dated May 10, 2018 for the meeting held on May 3, 2018***; and sanction letter No. LD/CORP/28/2017-18 dated September 8, 2017.	i.Cash credit open loan: 260	69.53	Interest: 10.25% per annum

Sr. No.	Lender	Particulars of the documentation	Amount sanctioned (₹ *in million)*	Amount outstanding as on June 15, 2018 (₹ *in million)*	Interest rate/commission rate
	The South Indian Bank Limited		Bank Guarantee/ SBLC (Sub-limit of CC Facility): 210	*190.00	Commission: 0.75% + GST
H	IndusInd Bank Limited	Consortium agreement dated January 9, 2017; the minutes of the consortium meeting dated May 10, 2018 for the meeting held on May 3, 2018***; sanction letter No. CO/CBG/KOL/7765/03/2016 dated March 18, 2016 and sanction letter No. IBL/CADELZ/136/2018-19 dated 30.05.2018	i.Cash credit limit ("**CC Facility**"): 250 ii.Working capital demand loan (Sub-limit of CC Facility): 250	149.69	Interest: 11.00% per annum
			i.Bank Guarantee/ SBLC (Sub-limit of CC Facility): 250	*100.00	Commission: 1.50% per annum
I	DCB Bank Limited	Consortium agreement dated January 9, 2017; the minutes of the consortium meeting dated May 10, 2018 for the meeting held on May 3, 2018***; and sanction letter No. CAD-KOL/SAN/SGL/CB/2017-18 dated June 1, 2017.	i.Cash credit limit ("**CC Facility**"): 300 ii.Working capital demand loan (Sub-limit of CC Facility): 300	146.44	Interest: 10.00% per annum
			Bank Guarantee/ SBLC (Sub-limit of CC Facility): 250	*150.00	Commission: 0.60 per annum
J	IDFC Bank	Consortium agreement dated January 9, 2017; the minutes of the consortium for the meeting dated November 9, 2017; the minutes of the consortium meeting dated May 10, 2018 for the meeting held on May 3, 2018***; and sanction letter No. IDFCBANK/CAD/DEL/SL/2017-2018/277 dated October 17, 2017.	i.Working capital demand loan ("**WCDL Facility**"): 500 ii.Cash credit limit: 100 (Sub-limit of WCDL Facility)	260.00 93.84	Interest for WCDL Facility: 9.35% per annum Interest for CC Facility : 11.05% per annum
			Bank Guarantee/ SBLC (Sub-limit of CC Facility): 500	*140.00	Commission: 0.75% per annum

#The sanction letter No. STH/ADV/2016-17/710 dated June 27, 2016 ("June 27 Sanction Letter") has a SBLC limit (as sublimit of CC) of ₹930.00 million. The June 27 Sanction Letter was revised vide sanction letter No BR/ADV/STH/SGL/2017-18/61 dated February 3, 2018 wherein the SBLC limit (as sub limit of CC) was reduced to ₹570 million. As on June 15, 2018 the outstanding amount of SBLC was reduced to ₹685 million (and the outstanding amount of SBLC was reduced to less than ₹570 million as on June 30, 2018).

**The outstanding SBLC limit utilised for the issuance of SBLC has been used to provide as security for availing the Gold Metal Loan (for further details, please see "Financial Indebtedness - Gold Metal Loans" on page 442) from bullion banks outside the consortium.*

****The CC limit is earmarked (as security) for GMLs taken from bullion banks. The amount has been utilised for the value of the GMLs + margin for GMLs.*

****Pursuant to the minutes of the consortium meeting dated May 10, 2018 for the meeting held on May 3, 2018, our Company has entered into the supplemental inter-se agreement dated July 30, 2018 ("**Supplemental Inter-Se Agreement**") with each of the lenders in the Working Capital Consortium Facility which sets out the updated santion limits, terms and conditions of the Working Capital Consortium Facility. Additionally,* *in connection with the Supplemental Inter-Se Agreement, our Company has also entered into a supplemental joint deed of hypothecation dated July 30, 2018, joint letter of mortgage dated August 1, 2018, amongst other anciliarry documentation, for security in connection with the Working Capital Consortium Facility.*

a. *Security*: The loans availed by our Company are typically secured in the following manner:

   i. Primary: Hypothecation charge over the entire stocks, book debts and all current assets of our Company present and future ranking *pari-passu* with all other consortium lenders.

   ii. Collateral: Mortgage charge (equitable & supplemental) on certain freehold and lease hold property of our company and pledge on fixed deposit receipt, ranking *pari-passu* with all other consortium lenders.

   iii. Guarantee: Personal guarantee of Sankar Sen, Suvankar Sen, and Ranjana Sen.

b. *Purpose*: The fund based facilities have been availed for meeting working capital requirements and the non-fund based facilities under the working capital consortium have been availed for procurement of raw materials (in lieu of advance payments).

c. *Repayment*: Typically, the working capital loans availed by our Company are repayable on demand.

d. *Penalty**:*** Our company is typically required to pay two percent over the contracted rate over and above the normal rate or a prescribed amount on the occurrence of certain events including but not limited to the event of non-payment of outstanding dues, unsatisfactory conduct of amount, non-adherence to covenants, delay in creation of charge, breach of any conditions of the agreement etc.

e. *Other facilities**:*** Besides the sub-limits mentioned in the table above, our lenders also sanction various other sub-limit facilities such as PCFC, Export Credit – EPC, Export Credit – FBD, Bank Guarantees (for other multipurpose), amongst others.

2. *Term Loan*

Sr. No.	Lender	Particulars of the documentation	Amount sanctioned (*₹ in million)*	Amount outstanding as on June 15, 2018	Interest rate/commission rate
A	The South Indian Bank Limited	Sanction letter No. LD/CORP/033/2014-15 dated November 27, 2014; Sanction letter No. LD/CORP/043/2014-15 dated March 12, 2015; and sanction letter No. LD/CORP/28/2017-18 dated September 8, 2017.	75.00	30.70	Interest: 12.00%

1. *Security*: Equitable mortgage on proposed showroom on ground floor & Second Floor ad measuring 9,167 sq. ft. super built up area of the proposed complex Gold Orchid located at 129/1 B B Ganguli Street, Kolkata-700012 along with 3 nos of car parking space of about 405 sq. ft.

2. *Purpose*: For the purchase of showroom at Bowbazar in Kolkata

3. *Tenure:* 24 months holiday period + 48 months repayment period

4. *Repayment*: Through 12 quarterly instalments (principal + interest)

5. *Prepayment*:

- If closed from own sources after 2 years : Nil
- If closed from own source before 2 years : 1% of Prepaid amount
- If take over from other Bank : 2% of the Prepaid amount

6. *Penalty:* Penal Interest at the rate of 2.00% per annum will be charged as per rules for defaults and non-compliance of any sanction stipulation.

3. *Gold Metal Loans*

Sr. No.	Lender	Particulars of the documentation	Amount sanctioned (₹ *in million)*	Amount outstanding as on June 15, 2018	Interest rate/commission rate	Security	Purpose	Tenor
A	Axis Bank Limited	Gold Loan Agreement dated July 8, 2014; and Sanction letter No. AB/CCG/KOL/2017-18/138 dated July 17, 2017 (outside consortium).	350[(1)]	66 kgs of gold having value of ₹ 205.40 million (approx.)	Interest: 2.80% per annum	Pledge of the Stand-by-letter of credit or bank guarantee from a scheduled commercial bank from amongst the existing working capital lenders covering 110% of the limit.	For manufacturing of jewellery for domestic and export sales.	Tenor: 1 year – period for each disbursement limited to 180 days. Borrower can close the loan by pricing the outstanding loan quantity and funding the equivalent amount.
B	Kotak Mahindra Bank Limited	Gold loan agreement dated January 18, 2018; and sanction letter No. CBMM/19092017/64287 dated October 16, 2017 (outside consortium). Sanction letter No. CBMM/19092017/64287 dated October 16, 2017; and letter No. CBMM/19092017/64287/Addendum dated December 4, 2017. (under consortium)	1,500[(2)] 560.00[(5)]	65 kgs of gold having value of ₹ 202.92 million (approx.) 106 kgs of gold having value of ₹ 330.42 million (approx.)	Interest: 2.28% per annum (if gold metal loan is against SBLC); and Interest : 3.48% per annum (against cash credit limit earmarked)	Company to provide minimum 110% of the value of gold borrowed by way of lien/charge on cash deposits/term deposits on our Company's account with the bank or Bank Guarantee/ SBLC issued for 108% value of the gold loan.	For manufacturing of jewellery.	Tenor: – maximum permitted tenor of 90 days for each tranche of gold loan and may be extended to a period of 180 days in case of export.
C	HDFC Bank Limited	Gold Loan Agreement dated October 25, 2017; and sanction letter No. CAM013006170035 dated October 6, 2017 (outside consortium). Sanction letter No. CAM012411160003 dated March 8, 2018 (within consortium)	2,080*[(3)] (GML sanction limit including margin to the extent of ₹540[(5)] million within consortium against CC Earmark if utilised would reduce the GML limit of ₹ 2,080 million to that extent)	341 kgs of gold having value of ₹ 1062.68 million (approx.)	Interest: 2.30% per annum	Security in the form of: i.Stand-by letter of credit from an acceptable bank. ii.Bank guarantee. iii.Cash/fixed deposit margin. iv.Any other liquid collateral acceptable to the bank.	For manufacturing of jewellery.	Tenor: – period for each disbursement limited to a maximum of 180 days for domestic market and 270 days for export.

Sr. No.	Lender	Particulars of the documentation	Amount sanctioned (₹ *in million)*	Amount outstanding as on June 15, 2018	Interest rate/commission rate	Security	Purpose	Tenor
D	Yes Bank	Gold Metal Loan Agreement dated November 13, 2017 Sanction letter No. YBL/DEL/FL/840/2017-18 dated August 10, 2017; and sanction letter No. YBL/DEL/FL/1410A/2017-18 dated November 13, 2017 (outside consortium) Sanction Letter No YBL/DEL/FL/810 /2015-16 dated October 13, 2015; Sanction Letter No YBL/DEL/FL/811/2015-16 dated October 13, 2015 ;Sanction letter No. YBL/DEL/FL/1487/2016-17 dated January 11, 2017 : YBL/DEL/FL/840/2017-18 dated August 10, 2017 (within consortium)	2,000(4) 320(5)	411 kgs of gold having value of ₹ 1,158.00 million (approx.)	Interest: 2.40% per annum	i. Bank Guarantee/ SBLC. ii. Fixed deposits	For procurement of gold for export or domestic use.	Tenor: – period for each disbursement limited to a maximum of 180 days.

(1) *Please note that the gold metal loan is provided against 110% margin in the form of SBLC.*

(2) *Please note that gold metal loan is provided against asset cover of minimum 110% in case of fixed deposit security; or asset cover of minimum 108% if the loan is Bank Guarantee/ SBLC backed.*

** Please note that the sanction limit of the gold metal loan (outside consortium) would be reduced to the extent of gold metal loan availed by earmarking cash credit*

(3) *Please note that gold metal loan is provided against 106% margin in form of SBLC on the value of the metal calculated at current spot rate of the metal and current USD to Indian Rupee conversion rate.*

(4) *Please note that gold metal loan is provided against 112 % margin in form of SBLC & fixed/ term deposit security.*

(5) *Please note sanction amounts for GML inclusive of margin (110% - 112%) against earmark of cc limit given by the bank within the consortium*

Other terms of the borrowings availed by us:

1. ***Events of Default***: Borrowing arrangements entered into by us contain certain events of default, including but not limited to:

   (a) Failure to repay any advance, interest or any of the dues when due and payable by our Company to the concerned lender;

   (b) If, by the concerned lenders' valuation, the security furnished in respect of advances made and outstanding is less than the minimum percentage specified by the concerned lender, which may be determined by the lender in INR on the basis of gold price, or by applying such other method as the lender may deem fit in this regard;

   (c) Substantial deterioration in the financial or business condition of our Company in the opinion of the concerned lender; and

   (d) Failure on the part of our Company to comply with any rule, regulation, directive or notification that may be framed or issued by a government agency relating to gold metal loans.

2. ***Restrictive Covenants***: Certain borrowing arrangements entered into by us contain restrictive covenants, including:

(a) Changing or in any way altering the capital structure of our Company without prior permission of the concerned lender;

(b) Changing our name or trade name or making or attempting to make any alterations of our Memorandum or Articles or other constitutional documents which may or may not have an impact on the ability of our Company to fulfill its obligations to the lenders without prior permission of the concerned lender;

(c) Effecting any change in the shareholding of the Promoter(s) (a) gets diluted below the current level or (b) leads to dilution in controlling stake for any reason (whichever is lower), Directors, or Shareholders (including by issue of new shares or transfer of shares) in our Company or changing the control/ownership over our Company's management without prior permission of the concerned lender;

(d) Permitting or effecting any buy-back, demerger, reduction in capital, sale of any undertaking, reorganization, new project/scheme, arrangement or compromise with our creditors or shareholders, or entering into any scheme of amalgamation or reconstruction structuring, restructuring, spin offs or hive offs or make investment in Fixed assets in associate/group companies, without prior permission of the concerned lender;

(e) Implementing a new scheme of expansion/diversification/modernization or taking up an allied line of business or manufacture without prior permission of the concerned lender;

(f) Paying any monies by way of interest or any other obligations under any unsecured facilities from any bank or financial institution or otherwise, until such time as there are any monies owed by and due from our Company to the concerned lender, without prior permission of the concerned lender.

(g) Make any corporate investments or investment, by way of share capital or debentures or lend or advance funds to or place deposits with, any other concern except give normal trade credits or place on security deposits in the normal course of business, without the permission of the concerned lender;

(h) Declare dividends for any year except out of profits relating to that year, without prior permission of the concerned lender;

(i) Undertake guarantee obligations on behalf of other companies/ associates/ affiliates; and

(j) Salary to directors etc. not allowed to be paid in case of delay or default in repayment of facility, without prior permission of the concerned lender.

3. ***Prepayment***: The loans availed by our Company typically have prepayment provisions which allows for prepayment of the outstanding loan amount at any given point in time and in certain cases requires prior notice or permission of the bank. Prepayment of loans may be subject to prepayment penalties or break costs as may be decided by the lender at the time of prepayment. Typically, the prepayment penalty is two percent on the amount being prepaid or on the outstanding amount or on the sanctioned limit of fund based working capital; limits at the time of prepayment if the prepayment is not from the cash generated from the business or from own funds.

4. ***Penalty:*** Our company is typically required to pay two percent over the contracted rate over and above the normal rate or a prescribed amount on the occurrence of certain events including but not limited to the event of non-payment of outstanding dues, unsatisfactory conduct of amount, non-adherence to covenants, delay in creation of charge, breach of any conditions of the agreement etc.

The aforesaid lists are indicative and there may be additional terms that may amount to an event of default or constitute a restrictive covenant under the various borrowing arrangements entered into by us.

For further details in relation to our financial indebtedness, see "*Financial Statements*" on page 189.

SECTION VI –LEGAL AND OTHER INFORMATION
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding (i) criminal litigation involving our Company, Directors, Promoters or Group Entities; (ii) actions by any statutory or regulatory authorities involving our Company, Directors, Promoters or Group Entities; or (iii) claim involving our Company, Directors, Promoters or Group Entities for any direct or indirect tax liabilities, respectively; or (iv) other pending litigations involving our Company, Directors, Promoters, Group Entities or any other person, as determined to be material by our Board of Directors, in accordance with the SEBI ICDR Regulations; or (v) outstanding dues to creditors of our Company as determined to be material by our Board of Directors, in accordance with the SEBI ICDR Regulations; and (vi) outstanding dues to small scale undertakings and other creditors.

*With respect to point (iv) above, our Board, in its meeting held on July 23, 2018, has adopted a policy for identification of material legal proceedings ("**Materiality Policy**"). For the purposes of disclosure, pursuant to the SEBI ICDR Regulations and the Materiality Policy, (i) all pending litigation involving our Company, Directors, Promoters and Group Entities, other than criminal proceedings and statutory or regulatory actions, would be considered 'material' if the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of either 0.50% of the profit after taxes of our Company as per the Restated Standalone Financial Information, for the Fiscal ended March 31, 2018, or ₹5,000,000, whichever is higher, or (ii) pending proceedings involving the abovementioned persons whose outcome may have a bearing on the business, operations or prospects or reputation of our Company, are considered 'material', and disclosed in this Draft Red Herring Prospectus.*

It is clarified that for the purposes of the above, pre-litigation notices (other than those issued by statutory or regulatory authorities) received by our Company, Directors, Promoters and the Group Entities shall, unless otherwise decided by the Board, not be considered as litigation until such time that our Company or any of our Directors, Promoters and our Group Entities, as the case may be, is impleaded as a defendant in litigation proceedings before any judicial forum.

*Further, with respect to point (v) above, our Board, in its meeting held on July 23, 2018, determined that outstanding dues to creditors in excess of 2% of our Company's dues to creditors, being ₹10.28 million shall be considered as material dues ("**Material Dues**"). Details of outstanding dues to creditors including small scale undertakings as required under the SEBI ICDR Regulations have been set out in this chapter.*

Unless stated to the contrary, the information provided in this section is as of the date of this Draft Red Herring Prospectus. All terms defined in a summary pertaining to a particular litigation shall be construed only in respect of the summary of the litigation where such term is used.

LITIGATION INVOLVING OUR COMPANY

1. ***Outstanding criminal proceedings involving our Company***

    a) *Criminal proceedings against our Company*

    *Proceedings under Section 277A of the Income Tax Act, 1961 ("**IT Act**")*

    After the search and seizures conducted on our Company as mentioned above, the Investigation Wing of the Income Tax Department ("**ITD**") acting through its Additional Director of Income Tax ("**ADIT**"), by way of a letter dated January 4, 2017, asked our Company to show cause as to why prosecution under Section 277A of the IT Act should not be initiated against our Company, and alleged that (a) our Company had done business taking illegal tender of currency; (b) our Company tried to hide the names of actual buyers/ carriers of cash by splitting advance vouchers in values below ₹200,000 which were raised in the names of various third persons; (c) our Company abetted in the conversion of unaccounted cash into gold; (d) our Company had not submitted the evidence of sales on the advances that it had undertaken; and therefore our Company had not made valid sales against the advances taken and that the same would be considered as unaccounted cash credit.

    Our Company responded to the ADIT's letter on January 19, 2017 denying all the allegations made therein.

    Thereafter, our Company received a show cause notice on February 24, 2017 from the ADIT seeking information, among other things, in relation to (a) differences between details of advances furnished by our Company and the statements of the customers that were recorded on oath before the ADIT; (b) certain of the items described by our Company being delivered to the customers not matching with the actual items delivered to the customers (as per the video footage submitted by our Company); (c) the rationale for the Company charging a 10-15% premium on its products; (d) why single sale made to customers were split into multiple invoices in the name of various third persons to reflect amounts lesser than ₹200,000; and (e) why the Company charged making charges on gold bullion thereby allegedly inflating expenses (payments to karigars). Our Company responded to the show cause notice on February

27, 2017, denying all the allegations and explaining the same.

Further, our Company received a summons from the Chief Judicial Magistrate dated April 26, 2018 in relation to a petition filed by the Deputy Director of Income Tax (Investigation), Unit-2(1), Kolkata ("**DDIT**") before the court of the Chief Judicial Magistrate at Alipore against our Company and both our Individual Promoters and Directors, Mr. Sankar Sen and Mr. Suvankar Sen, under section 277A of the IT Act. The said provision of the IT Act prohibits a person from enabling any other person to evade taxes by falsifying accounts and documents. The DDIT alleged that our Company had accepted old and illegal tender as mentioned above in the form of old currency notes post the withdrawal of ₹500 and ₹1,000 notes on November 8, 2016 thus allowing persons to avoid payment of taxes. Further, the DDIT has alleged that sales recorded having been made on November 8, 2016 were actually made post November 8, 2016 and were incorrectly recorded as sales having been made on November 8, 2016 in the books of the Company. In this regard, the petition noted that a report was received from the Central Board of Direct Taxes stating that significant amounts of cash had been deposited in the bank accounts belonging to our Company and owners of certain of our Franchise Stores in the aftermath of demonetization. The matter came up for hearing on June 2, 2018 and has been adjourned for September 25, 2018. We are in the process of filing a response to the above petition.

Matters in relation to one of our customers to whom sales which were examined by the department were made

Further, from a letter dated February 17, 2017 issued by the ADIT, we understand that a "General Diary" has been lodged by one of our customers in Lake Police station, Kolkata, in connection with false information provided to the income tax department. The customer had made an advance of ₹14.3 million on November 8, 2016, and the details in relation to the same was provided by our Company to the ITD. However, the customer has denied this transaction claiming that he/she did not buy any jewellery exceeding ₹50,000; and thereafter, filed the "General Diary" with the above mentioned police station. Further, it has been noted by the ADIT in the letter mentioned above that the said customer has denied cross examination by the Company's representative, in relation to denial of transactions.

b) *Criminal proceedings by our Company*

Our Company filed a complaint dated May 15, 2015, under sections, including, amongst others, 403, 406, and 420 of the Indian Penal Code, 1860, against Gopal Rana ("**Accused**") before the Court of Additional Chief Judicial Magistrate at Siliguri (the "**Complaint**"). In the complaint, our Company alleged, amongst others, that the Accused had committed offences amounting to cheating, theft misappropriation of stocks, sexual harassment and criminal intimidation. The Accused was in-charge of the day to day management and control of our Company's showroom at Siliguri since 2010, which included the responsibility of keeping an account of the old gold received from customers. Upon an audit being conducted in the showroom at Siliguri on June 17, 2015, it was found that the Accused had misappropriated funds amounting to approximately ₹229,458. It was further revealed through the audit, that the Accused forcefully demanded sexual favours from the female staff of the showroom. The matter is currently pending. The next date for hearing is October 1, 2018.

2. *Outstanding litigation involving our Company in accordance with the Materiality Policy*

a) *Civil proceedings against our Company*

There are no such civil proceedings against our Company.

b) *Civil proceedings by our Company*

There are no such civil proceedings by our Company.

3. *Actions by statutory or regulatory authorities against our Company*

a) *Search and Seizure under Section 132 of the IT ACT 1961*

In terms of Gazette Notification No. 2652 dated November 8, 2016 issued by the Government of India, denominations of ₹500 and ₹1,000 bank notes issued by the RBI ceased to be legal tender from November 9, 2016 (the "**Demonetisation**"). Post Demonetisation, certain searches were conducted by the ITD at our manufacturing facilities at Rabindra Sarani, Kolkata and Manikanchan, Kolkata, at two of our Company Operated Showrooms in Kolkata, at the residences of our Individual Promoters, at our Registered Office and Corporate Office and at premises of various Franchise Showrooms, from December 20, 2016. As a part of the above searches the departmental officers visited our manufacturing facility located at Manikanchan on February 14, 2017.

During. the searches on our Company and Group Entities, amongst others, the following were found (as set out by the ITD in its letter dated July 20, 2018): (a) cash amounting to ₹ 0.73 million; (b) jewellery and other precious metal inventories having a market value (as determined by the ITD valuer) of ₹1,642.73 million; and (c) various documents (that were seized by the income tax officials). The cash and jewellery were not seized.

Additionally, during the same search conducted at our factory situated at Rabindra Sarani, Kolkata, on December 20, 2016, three gold bars aggregating to 3,429.85 grams and having a market value (as determined by a government appointed registered valuer) of ₹9.43 million were seized, along with certain other documents. The Company has made several petitions for release of the same on account of the gold bars being part of stock-in-trade, however till date the ITD has not disposed off such petitions and the gold bars continue to remain in the custody of the ITD.

During the searches at our Individual Promoters' residence, the Income Tax Department found, amongst others, the following (as set out by the ITD in its letter dated July 20, 2018): (a) cash amounting to ₹0.46 million ; and (b) jewellery or other precious metal having a market value (as determined by the ITD valuer) of ₹33.5 million. Further, operations of certain bank accounts and bank lockers of our Individual Promoters were temporarily suspended by way of prohibitory orders issued under Section 132(3) of the IT Act dated December 20, 2016. These prohibitory orders were withdrawn by the ITD by way of withdrawal order dated January 13, 2017.

Search Assessment under Section 153A of the IT Act (hereinafter defined)

A search and seizure was conducted under Section 32 of the IT Act, pursuant to which our Company has been issued notices by the Assistant Commissioner of Income Tax, Central Circle – 4(1), Kolkata, dated October 31, 2017, under section 153A of the IT Act, initiating block assessment. The Company has responded to the above notice by way of a submission dated February 2, 2018. Pursuant to the aforementioned search and seizure, we have been issued notices by the ITD from time to time seeking further information.

Additionally, by way of notices under Section 142(1) of the IT Act issued by the Deputy Commissioner of Income Tax, Central Circle – 4(1), Kolkata, dated March 5, 2018, certain additional information was sought in relation to seven assessment years, being assessment years 2011 – 2012 to 2017 – 2018.

Further, we received a notice by the Deputy Commissioner of Income Tax, Central Circle – 4(1), Kolkata, dated July 20, 2018 requisitioning for details/information under Section 142(1) of the IT Act in connection with the search and seizure related scrutiny assessment proceedings to be conducted by the ITD. Further, certain of our employees received summons to appear before the ITD. Recently, our Company received another notice from the Deputy Commissioner of Income Tax, Central Circle – 4(1), Kolkata, dated August 8, 2018, wherein a reminder has been given to the Company to furnish information already requisitioned for in the past. Further, the Company has been asked to explain why penal proceedings should not be initiated against the Company in relation to the delay. The Company has responded to the above notice by way of a letter dated August 13, 2018.

The ADIT by way of a letter dated December 28, 2016 issued a prohibitory order under Section 132(3) of the IT Act directing the Bank of Nova Scotia to stop all operations with our Company (in relation to the margin account of the Company) including the fixed deposits made by our Company which were pledged as security, due to the pendency of the search and seizure action against the Company. The Company has responded to the abovementioned letter by way of its letters dated December 29, 2016 and January 19, 2017. Consequently, on February 27, 2017, the ADIT communicated to the Company its decision to revoke its prohibitory order placed upon the account of the Company maintained with the Bank of Nova Scotia.

Search under Central Excise Act, 1944

On January 7, 2017, an on spot search was conducted at our Registered Office and Corporate Office, at our manufacturing facility located at Rabindra Sarani, Kolkata, West Bengal and at two of our Company Operated Showrooms located at Kolkata, by officials of the Directorate General of Central Excise Intelligence, Kolkata ("**DGCEI**") under Central Excise Act, 1944. In the course of the search, the DGCEI officials inspected and seized certain documents from the searched premises. Thereafter, DGCEI issued several notices of summons between January 7, 2017 to February 28, 2017 to our Company for personal appearance and provision of information and documents, of which last summon proceedings was held on March 6, 2017. Our Company has from time to time provided information requested by the officials of the DGCEI; however, no statutory notice or order has been received from the DGCEI.

b) Our Company has received a notice dated February 4, 2017 from the Department of Labour, Lucknow pursuant to which it was noted that the basic components of salary paid to the employees of the Company Operated Showroom at Hazratgunj was not in compliance with the provisions of the Minimum Wages Act, 1948. Accordingly, the Company was directed to pay an amount of ₹185,462 to the employees of the aforementioned showroom.

4. Tax proceedings involving our Company

Nature of case	Number of cases	Amount involved (in ₹million)
Direct Tax	10	86.75*
Indirect Tax	21	54.17**

From the ten proceedings mentioned, the pecuniary amount involved in five proceedings is ₹86.75 million and the pecuniary amount involved in the other five proceedings are not ascertainable.

*** From the 21 proceedings mentioned, the pecuniary amount involved in nine proceedings is ₹54.17 million and the pecuniary amount involved in the other 12 proceedings is not ascertainable.*

Further, our Erstwhile Subsidiaries, namely, Addyashakti Properties Private Limited and Senco Gold Impex Private Limited, have been issued notices under Section 153A of the IT Act by the Assistant Commissioner of Income Tax, Central Circle - 4(1), Kolkata, on November 9, 2017 and May 5, 2017, respectively, consequent to the search and seizure under section 153A of the IT Act, initiating block assessment

5. ***Outstanding dues to small scale undertakings and any other creditors***

In terms of the Materiality Policy, our Company considers outstanding dues to creditors in excess of ₹10.28 million as material dues. As of March 31, 2018, as per our Restated Standalone Financial Information, we had 506 creditors to whom a total amount amounting to ₹513.97 million was outstanding. Of these, 12 were material creditors in terms of the Materiality Policy and the total amount due to such material creditors was ₹335.47 million.

Further, our Company has not received any intimation from any of our creditors regarding their status as micro or small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006.

Complete details of outstanding dues to our creditors as on March 31, 2018 are available at the website of our Company, https://sencogoldanddiamonds.com/media/wysiwyg/Material-Creditors-Disclosure.pdf

Information provided on the website of our Company is not a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, www.sencogoldanddiamonds.com, would be doing so at their own risk.

LITIGATION INVOLVING OUR DIRECTORS

a) ***Outstanding criminal proceedings involving our Directors***

a) *Criminal proceedings against our Directors*

For details in relation to criminal proceedings against two of our Directors, namely Sankar Sen and Suvankar Sen, please see "*Criminal proceedings against our Company*" on page 446 of this Draft Red Herring Prospectus.

b) *Criminal proceedings by our Directors*

There are no such criminal proceedings by our Directors.

b) ***Outstanding litigation involving our Directors in accordance with the Materiality Policy***

a) *Civil proceedings against our Directors*

There are no such civil proceedings against our Directors.

b) *Civil proceedings by our Directors*

There are no such civil proceedings by our Directors.

c) ***Actions by statutory or regulatory authorities against our Directors***

For details in relation to actions by statutory or regulatory authorities against our Directors, please see "*Actions by statutory or regulatory authorities against our Company*" on page 447.

d) Tax proceedings involving our Directors

Nature of case	Number of cases	Amount involved (in ₹)
Direct Tax	2	Not ascertainable
Indirect Tax	2	Not ascertainable

a) Sankar Sen

Search Assessment under Section 153A of the IT Act

In terms of the provisions of the IT Act, the Individual Promoter being searched under Section 132 of the IT Act, the assessment for last seven years has been initiated under section 153A of the IT Act. Our Individual Promoter has been issued notices by the Assistant Commissioner of Income Tax, Central Circle - 4(1), Kolkata, dated November 9, 2017, consequent to the search and seizure under section 153A of the IT Act, initiating block assessment. We have complied with the filing of the return of income under Section 153A of the IT Act.

b) Suvankar Sen

Search Assessment under Section 153A of the IT Act

In terms of the provisions of the IT Act, the Individual Promoter being searched under Section 132 of the IT Act, the assessment for last seven years has been initiated under section 153A of the IT Act. Our Individual Promoter has been issued notices by the Assistant Commissioner of Income Tax, Central Circle - 4(1), Kolkata, dated November 9, 2017, consequent to the search and seizure under section 153A of the IT Act, initiating block assessment. We have complied with the filing of the return of income under Section 153A of the IT Act.

LITIGATION INVOLVING OUR PROMOTERS

1. Outstanding criminal proceedings involving our Promoters

a) *Criminal proceedings against our Promoters*

For details in relation to criminal proceedings against our Promoters, please see "*Criminal proceedings against our Company*" on page 446.

b) *Criminal proceedings by our Promoters*

Nil

2. Outstanding litigation involving our Promoters in accordance with the Materiality Policy

a) *Civil proceedings against our Promoters*

Nil

b) *Civil proceedings by our Promoters*

Nil

3. Actions by statutory or regulatory authorities against our Promoters

For details in relation to actions by statutory or regulatory authorities against our Promoters, please see "*Actions by statutory or regulatory authorities against our Company*" on page 447.

4. Tax proceedings involving our Promoters

For details in relation to tax proceedings involving our Promoters, please see "*Tax Proceedingss involving our Directors*" on page 450.

Nature of case	Number of cases	Amount involved (in ₹)
Direct Tax	2	Not ascertainable
Indirect Tax	2	Not ascertainable

LITIGATION INVOLVING OUR GROUP ENTITIES

1. Outstanding criminal proceedings involving our Group Entities

a) *Criminal proceedings against our Group Entities*

Nil

b) *Criminal proceedings by our Group Entities*

Nil

2. Material outstanding litigation involving our Group Entities in accordance with the Materiality Policy

a) *Civil proceedings against our Group Entities*

Nil

b) *Civil proceedings by our Group Entities*

Mangoe Construction Private Limited ("**Plaintiff**") filed a suit for specific performance and injunction valued at ₹16.00 million against Parimal Kumar Saha, Debojyoti Saha, Sanjib Kumar Saha, Abhijit Saha and Naresh Chandra Saha (collectively referred to as "**Defendants**") on September 7, 2017 before the Civil Judge, Senior Division, Barasat. Parimal Kumar Saha was the owner of land measuring about 4 Cottahs 12 Chittacks and 12 square feet at RGN-23/64, Kazi Nazrul Islam Sarani, Block "O", Jyangra, Saha Bagan, Mouza Jangra ("**Premises**"). Sanjib Kumar Saha represented to the Plaintiff that he, along with Abhijit Saha and Naresh Chandra Saha have constructed a four storied building along with ground floor at the said Premises, and offered the same for sale to the Plaintiff. Sanjib Kumar Saha, Abhijit Saha and Naresh Chandra Saha further represented to the Plaintiff that Parimal Kumar Saha is the absolute owner of the Premises and is ready and willing to sell the entire building. The defendants met the Plaintiff's representative and have shown all the relevant documents including deeds to show that Parimal Kumar Saha was the owner of the Premises. Relying on these representations, the Plaintiff agreed to purchase the Premises along with the ground floor and the four storied building constructed thereat.

The Plaintiff agreed to buy the Premises at a price of ₹15.00 million for the ground floor, ₹13.00 million for the first floor, ₹11.00 million for the second floor, ₹9.00 million for the third floor and ₹7.00 million for the fourth floor. Accordingly, the ground floor, first floor and second floor were transferred to the Plaintiff by executing separate deeds of conveyance. When the Plaintiff approached the Sellers for buying the third and fourth floor as was agreed upon, the Sellers seemed reluctant and stopped paying any heed to the Plaintiff's requests. The Plaintiff later found out that Parimal Kumar Saha had gifted 30% of the land to his son Debojyoti Saha and further, that the Premises was mortgaged to a bank, which was suppressed to the Plaintiff and was also contrary to the representation made in the development agreement and the sale deeds. In view of the misrepresentations and fraud perpetrated by the Defendants, the Plaintiff filed a case against the Defendants before the Learned Civil Judge at Barasat (T.S. No.776 of 2017) praying for, among others, specific performance to make over proper title of the ground, first and second floor, convey the third and fourth floor to the Plaintiff and injunction restraining the Defendants from alienating and or disposing off or dealing with the third and the fourth floor of the building.

3. Actions by statutory or regulatory authorities against our Group Entities

Show Cause Notice issued by RBI to Rangbarshi Trading Private Limited

Our Group Entity, Rangbarshi Trading Private Limited received a show cause notice from the Reserve Bank of India dated March 16, 2018, in relation to cancellation of its certificate of registration under Section 45 – IA(6) of Reserve Bank of India Act, 1934 ("**RBI Act**"). Rangbarshi Trading Private Limiated was required to show cause as to why penal action should not be initiated for offences under Section 58B of the RBI Act. Rangbarshi Trading Private Limited has replied to this show cause notice on May 4, 2018.

4. ***Tax proceedings involving our Group Entities***

Nature of case	Number of cases	Amount involved (in ₹)
Direct Tax	8	Not Ascertainable
Indirect Tax	1	Not Ascertainable

Certain of the tax proceedings mentioned in the table above have been set out below:

a) Senco Infrastructure Private Limited

Search Assessment under Section 153A of the IT Act

In terms of the provisions of the IT Act, the Group Entity being searched under Section 132 of the IT Act, the assessment for last seven years has been initiated under section 153A of the IT Act. Our Group Entity has been issued notices by the ACIT, Central Circle - 4(1), Kolkata, dated November 9, 2017, consequent to the search and seizure under section 153A of the IT Act, initiating block assessment. We have complied with the filing of the return of income under Section 153A of the IT Act. Pursuant to the aforementioned search and seizure, we have been issued notices by the ITD from time to time seeking information in relation to our business and accounts, to which we have replied and provided the requisite information. Recently, the Group Entity received another notice from the DCIT, Central Circle – 4(1), Kolkata, dated August 8, 2018, wherein a reminder has been given to the Group Entity to furnish information already requisitioned for in the past. Further, the Group Entity has been asked to explain why penal proceedings should not be initiated against the Group Entity in relation to the delay.

b) Lokenath Dealer Private Limited

Search Assessment under Section 153A of the IT Act

In terms of the provisions of the IT Act, the Group Entity being searched under Section 132 of the IT Act, the assessment for last seven years has been initiated under section 153A of the IT Act. Our Group Entity has been issued notices by the ACIT, Central Circle - 4(1), Kolkata, dated November 9, 2017, consequent to the search and seizure under section 153A of the IT Act, initiating block assessment. We have complied with the filing of the return of income under Section 153A of the IT Act. Pursuant to the aforementioned search and seizure, we have been issued notices by the ITD from time to time seeking information in relation to our business and accounts, to which we have replied and provided the requisite information. Recently, the Group Entity received another notice from the DCIT, Central Circle – 4(1), Kolkata, dated August 8, 2018, wherein a reminder has been given to the Group Entity to furnish information already requisitioned for in the past. Further, the Group Entity has been asked to explain why penal proceedings should not be initiated against the Group Entity in relation to the delay.

c) Rachna Vintrade Private Limited

Search Assessment under Section 153A of the IT Act

In terms of the provisions of the IT Act, the Group Entity being searched under Section 132 of the IT Act, the assessment for last seven years has been initiated under section 153A of the IT Act. Our Group Entity has been issued notices by the SCIT, Central Circle - 4(1), Kolkata, dated September 22, 2017, consequent to the search and seizure under section 153A of the IT Act, initiating block assessment. We have complied with the filing of the return of income under Section 153A of the IT Act. Pursuant to the aforementioned search and seizure, we have been issued notices by the ITD from time to time seeking information in relation to our business and accounts, to which we have duly replied and provided the requisite information.

d) Rangbarshi Trading Private Limited

Search Assessment under Section 153A of the IT Act

In terms of the provisions of the IT Act, the Group Entity being searched under Section 132 of the IT Act, the assessment for last seven years has been initiated under section 153A of the IT Act. Our Group Entity has been issued notices by the ACIT, Central Circle - 4(1), Kolkata, dated September 22, 2017, consequent to the search and seizure under section 153A of the IT Act, initiating block assessment. We have complied with the filing of the return of income under Section 153A of the IT Act. Pursuant to the aforementioned search and seizure, we have been issued notices by the ITD from time to time seeking information in relation to our business and accounts, to which we have replied and provided the requisite information. Recently, the Group Entity received another notice from the SCIT, Central Circle – 4(1), Kolkata, dated

August 8, 2018, wherein a reminder has been given to the Group Entity to furnish information already requisitioned for in the past. Further, the Group Entity has been asked to explain why penal proceedings should not be initiated against the Group Entity in relation to the delay. The Group Entity has duly replied to these notices.

e) Rangoli Shoppers Private Limited

Search Assessment under Section 153A of the IT Act

In terms of the provisions of the IT Act, the Group Entity being searched under Section 132 of the IT Act, the assessment for last seven years has been initiated under section 153A of the IT Act. Our Group Entity has been issued notices by the ACIT, Central Circle - 4(1), Kolkata, dated September 22, 2017, consequent to the search and seizure under section 153A of the IT Act, initiating block assessment. We have complied with the filing of the return of income under Section 153A of the IT Act. Pursuant to the aforementioned search and seizure, we have been issued notices by the ITD from time to time seeking information in relation to our business and accounts, to which we have replied and provided the requisite information.

f) Roopmahal Mercantile Private Limited

Search Assessment under Section 153A of the IT Act

In terms of the provisions of the IT Act, the Group Entity being searched under Section 132 of the IT Act, the assessment for last seven years has been initiated under section 153A of the IT Act. Our Group Entity has been issued notices by the ACIT, Central Circle - 4(1), Kolkata, dated September 22, 2017, consequent to the search and seizure under section 153A of the IT Act, initiating block assessment. We have complied with the filing of the return of income under Section 153A of the IT Act. Pursuant to the aforementioned search and seizure, we have been issued notices by the ITD from time to time seeking information in relation to our business and accounts, to which we have replied and provided the requisite information.

g) Mangoe Construction Private Limited

Search Assessment under Section 153A of the IT Act

In terms of the provisions of the IT Act, the Group Entity being searched under Section 132 of the IT Act, the assessment for last seven years has been initiated under section 153A of the IT Act. Our Group Entity has been issued notices by the DCIT, CC - 4(1), Kolkata, dated May 7, 2018, consequent to the search and seizure under section 153A of the IT Act, initiating block assessment. We have complied with the filing of the return of income under Section 153A of the IT Act. Pursuant to the aforementioned search and seizure, we have been issued notices by the ITD from time to time seeking information in relation to our business and accounts, to which we have replied and provided the requisite information.

SIGNIFICANT DEVELOPMENTS

For details in relation to significant developments after March 31, 2018, please see "*Management's Discussion and Analysis of Financial Condition and Results of Operations-Significant Developments after March 31, 2018*" on page 404 of this Draft Red Herring Prospectus.

GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary consents, licenses, permissions, registrations, and approvals from the Government of India, various governmental agencies and other statutory and/or regulatory authorities required for carrying out our present business activities. Except as mentioned below, no further material approvals are required for carrying on our present business activities or to undertake the Issue. Our Company undertakes to obtain all material approvals, licenses and permissions required to operate our present business activities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Draft Red Herring Prospectus and in case of licenses and approvals which have expired, we have either made an application for renewal, or are in the process of making an application for renewal. For further details in connection with the applicable regulatory and legal framework, see "Key Regulations and Policies in India" on page 143.

The objects clause of the memorandum of association enables our Company to undertake their present business activities.

The approvals required by us include the following:

APPROVALS IN RELATION TO THE ISSUE

Corporate approvals

(a) The Board has, pursuant to its resolution dated July 23, 2018 authorized the Issue, subject to the approval of the shareholders of our Company under Section 62 (1) (c) of the Companies Act 2013.

(b) Our Shareholders have, pursuant to their resolution dated July 23, 2018, authorized the Issue, in terms of Section 62 (1) (c) of the Companies Act 2013.

In-principle listing approvals

(a) In-principle approval from BSE dated [●].

(b) In-principle approval from NSE dated [●].

INCORPORATION DETAILS OF OUR COMPANY

(a) Certificate of incorporation dated August 22, 1994 issued by the RoC to our Company in our former name, being Senco Gold Private Limited.

(b) Fresh certificate of incorporation dated August 31, 2007 issued by the RoC to our Company, consequent upon change of name on conversion to a public company in the name of Senco Gold Limited.

APPROVALS UNDER TAX LAWS

(a) Permanent Account Number AADCS6985J, issued by the Income Tax Department, Government of India.

(b) GST registration numbers, issued by the Government of India for various states in which the branches of our Company are located, are as follows:

Sr. No.	State	Registration number
1.	Assam	18AADCS6985J1ZN
2.	Bihar	10AADCS6985J1Z3
3.	Chhattisgarh	22AADCS6985J1ZY
4.	Delhi	07AADCS6985J1ZQ
5.	Haryana	06AADCS6985J1ZS
6.	Jharkhand	20AADCS6985J1Z2
7.	Karnataka	29AADCS6985J1ZK
8.	Maharashtra	27AADCS6985J1ZO
9.	Manikanchan (SEZ)	19AADCS6985J2ZK
10.	Odisha	21AADCS6985J1Z0
11.	Telangana	36AADCS6985J1ZP
12.	Uttar Pradesh	09AADCS6985J1ZM

Sr. No.	State	Registration number
13.	West Bengal	19AADCS6985J1ZL

APPROVALS IN RELATION TO OUR BUSINESS OPERATIONS

Our Company has one manufacturing unit/factory located at Rabindra Sarani, Beadon Street, Kolkata, 700 006 and another manufacturing facility located at Manikanchan, which falls under an SEZ. Further, our Company is in the process of setting up another manufacturing facility at the Gems and Jewelry Park, Ankurhati, Domjur in Howrah. For details in relation to our manufacturing facilities and SEZ's, see "*Our Business*" on page 130.

The following are approvals received by our Company in relation to its business:

(a) ***Importer Exporter Code:***

Sr. No.	Particulars	Registration/Reference/License number	Date of registration/renewal	Date of expiry
1.	Certificate of Importer Exporter Code	0206024941	January 22, 2007	NA

(b) ***Gem and Jewellery Export Promotion Council:***

Sr. No.	Particulars	Registration/Reference/License number	Date of registration/renewal	Date of expiry
1.	Registration cum membership certificate from the Gem and Jewelry Export Promotion Council	GJC/REGN/MER/RO-KOL/28391/2015-2020	April 1, 2015	March 30, 2020

(c) ***Special Economic Zone:***

Sr. No.	Particulars	Registration/Reference/License number	Date of registration/renewal /letter	Date of expiry
1.	Letter extending the validity of the letter of permission	MSEZ/LIC/S-7/2005/932	August 8, 2017	July 10, 2022

(d) ***Customs:***

Sr. No.	Particulars	Registration/Reference/License number	Date of registration/renewal	Date of expiry
1.	Certificate of registration granted by the Office of the Commissioner of Customs, Customs House, Kolkata	03/2010	January 13, 2010	NA

(e) ***Environmental approvals:***

Sr. No.	Particulars	Registration/Reference/License Number	Date of registration/renewal	Date of expiry
1.	Consent to establish under the Air Act and Water Act granted by the West Bengal Pollution Control Board, to the manufacturing facility located at 370,	136119	July 24, 2015	September 30, 2019

Sr. No.	Particulars	Registration/Reference/License Number	Date of registration/renewal	Date of expiry
	Rabindra Sarani, Beadon Street, Kolkata, 700 006			
2.	Consent to operate under the Air Act and Water Act granted by the WBPCB, to the manufacturing facility located at 370, Rabindra Sarani, Beadon Street, Kolkata, 700 006	COO99837	November 6, 2015	April 30, 2022

(f) *Factories Act registration:*

Sr. No.	Particulars	Registration/Reference/License number	Date of registration/renewal	Date of expiry
1.	License for running a factory for the manufacturing facility located at 370, Rabindra Sarani, Beadon Street, Kolkata, 700 006	19558	January 14, 2015	December 31, 2018

(g) *Other Approvals:*

Our Company has obtained registrations in the normal course of business for its 45 branches across 12 states in India under the applicable shops and establishments laws, employees' provident fund organisation, employees' state insurance and trade license legislations. Our Company has also obtained licenses under the Bureau of Indian Standards Act, 1986, confirming to the IS 1417, for sale of hallmarked gold jewellery/artefact. Further, licenses under the Legal Metrology Act, 2009 and have also been obtained by our Company for its various branches. Certain licenses may have lapsed under their normal course and our Company has either made an application to the appropriate authorities for fresh registrations or renewal of existing registrations or is in the process of making such applications.

PENDING APPROVALS

(a) *Approvals for which applications have been made but are currently pending grant:*

1. Trade license for the store located at Marathahalli, Bangalore.
2. License under the Bureau of Indian Standards Act, 1986 for the store located at Marathahalli, Bangalore.
3. License under the West Bengal Shops and Establishments Act, 1963 for the store located at Baguiati, Kolkata.
4. License under the Bureau of Indian Standards Act, 1986 for the store located at Hyderabad.
5. License under the Bureau of Indian Standards Act, 1986 for the store located at Gorakhpur.

(b) *Approvals which have expired and for which renewal applications have been made:*

Sr. No.	Branch	Nature of license	Date of expiry	Application date of renewal	Act/Rule
1.	32 & 33, Jessore Road, Distt - North 24 Parganas, West Bengal - 743263	BIS hallmark license no. L – 5100009570	February 16, 2018	February 13, 2018	Bureau of Indian Standards Act, 1986
2.	BMC – 23/64, BL- 0, Kazi Nazrul Islam Sarani, P.O. – Jyangra, Saha	Trade license	March 31, 2017	April 24, 2018	West Bengal Municipal Act, 1993

Sr. No.	Branch	Nature of license	Date of expiry	Application date of renewal	Act/Rule
	Bagan, P.S. - Baguiati, Kolkata - 700059				
3.	171/2A, Rash Behari Avenue, Kolkata - 700019	BIS License no. CM/L – 5100020255	March 29, 2018	March 27, 2018	Bureau of Indian Standards Act, 1986
4.	Registered Office and Corporate Office	License under the West Bengal Shops and Establishments Act, 1963	March 11, 2018	June 28, 2018	West Bengal Shops and Establish ments Act, 1963

(c) ***Approvals required for which no application has been made:***

Our Company is yet to make applications for the following licenses that are required in respect of its branches:

i. License under the Bureau of Indian Standards Act, 1986 for the store located at Pune
ii. License under the Legal Metrology Act, 2009 for the store located at Patna (new).
iii. License under the Karnataka Shops and Commercial Establishments Act, 1961 for the store located at Marathahalli, Bangalore.

(d) ***Approvals which have expired and for which renewal applications are yet to be made by our Company:***

Sr. No.	Branch	Registration/Reference/License number	Date of registration	Date of expiry
Trade Licenses				
1.	6/1, Sarju Prasad Road, Gola Patty Band Road, Malda – 732101	200452014002216	May 14, 2014	March 31, 2015

APPROVALS IN RELATION TO OUR COMPANY'S INTELLECTUAL PROPERTY

(a) ***Our Company has obtained the following trademark registrations:***

Sr. No.	Trademark	Trademark No.	Class	Date of application/renewal	Date of expiry
1.	Senco	2020846	2	September 9, 2010	September 9, 2020
2.	Senco	2020847	3	September 9, 2010	September 9, 2020
3.	Senco	2020848	4	September 9, 2010	September 9, 2020
4.	Senco	2020853	9	September 9, 2010	September 9, 2020
5.	Senco	2020856	12	September 9, 2010	September 9, 2020
6.	Senco	2020857	13	September 9, 2010	September 9, 2020
7.	Senco	2020858	15	September 9, 2010	September 9, 2020
8.	Senco	2020859	16	September 9, 2010	September 9, 2020
9.	Senco	2020860	17	September 9, 2010	September 9, 2020
10.	Senco	2020861	18	September 9, 2010	September 9, 2020
11.	Senco	2020863	20	September 9, 2010	September 9, 2020
12.	Senco	2020864	21	September 9, 2010	September 9, 2020
13.	Senco	2020865	22	September 9, 2010	September 9, 2020
14.	Senco	2020866	23	September 9, 2010	September 9, 2020
15.	Senco	2020867	24	September 9, 2010	September 9, 2020
16.	Senco	2020870	27	September 9, 2010	September 9, 2020
17.	Senco	2020871	28	September 9, 2010	September 9, 2020
18.	Senco	2020874	31	September 9, 2010	September 9, 2020
19.	Senco	2020875	32	September 9, 2010	September 9, 2020

Sr. No.	Trademark	Trademark No.	Class	Date of application/renewal	Date of expiry
20.	Senco	2020876	33	September 9, 2010	September 9, 2020
21.	Senco	2020877	34	September 9, 2010	September 9, 2020
22.	Senco	2020879	36	September 9, 2010	September 9, 2020
23.	Senco	2020880	37	September 9, 2010	September 9, 2020
24.	Senco	2020881	38	September 9, 2010	September 9, 2020
25.	Senco	2020882	39	September 9, 2010	September 9, 2020
26.	Senco	2020883	40	September 9, 2010	September 9, 2020
27.	Senco	2020884	41	September 9, 2010	September 9, 2020
28.	Senco	2020885	42	September 9, 2010	September 9, 2020
29.	Senco	2020886	43	September 9, 2010	September 9, 2020
30.	Senco	2020887	44	September 9, 2010	September 9, 2020
31.	Senco	2020888	45	September 9, 2010	September 9, 2020
32.	Feather Gold	2033727	14	October 6, 2010	October 6, 2020
33.	Gossip	2033726	14	October 6, 2010	October 6, 2020
34.	Senco G-o-l-d	1331398	14	January 27, 2015	January 27, 2025
35.	Senco	2797958	14	August 26, 2014	August 28, 2024
36.	Swarn Yojana	2642536	16	December 13, 2013	December 13, 2023
37.	Gossip	2033726	14	October 6, 2010	October 6, 2020

(b) ***Trademarks applied for by our Company:***

Sr. No.	Trademark	Application No.	Class	Date of application	Status
1.	Everlite	3619047	14	August 23, 2017	Accepted and advertised
2.	Swarn Yojana (Label)	2642535	16	December 13, 201 3	Accepted and advertised
3.	Senco Gold & Diamonds Craftsmanship for you	3460313	14	January 18, 2017	Objected
4.	Senco Gold & Diamonds	2783615	14	July 30, 2014	Objected
5.	Mirana	3850152	14	June 2, 2018	Accepted and advertised
6.	Gossip	3850151	14	June 2, 2018	Accepted and advertised
7.	SENCO SOLITAIRES	3903778	14	August 1, 2018	Formalities check pass

(c) ***Our Company has obtained the following copyrights:***

Sr. No.	Copyright	Registration No.	Category
1.	SENCO G-O-L-D	A-99315/2013	Artistic work

(d) ***Our Company has applied for the following copyrights:***

NIL

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

Our Board has approved the Issue pursuant to the resolution passed at the meeting held on July 23, 2018, and our Shareholders have approved the Issue pursuant to a resolution passed at the EGM held on July 23, 2018, under section 62(1)(c) of the Companies Act, 2013. Further, the IPO Committee has approved this Draft Red Herring Prospectus pursuant to its resolution dated August 20, 2018.

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

PROHIBITION BY SEBI, RBI OR OTHER GOVERNMENTAL AUTHORITIES

None of our Company, our Individual Promoters, the natural persons behind the Other Promoters, our Directors, the members of the Promoter Group, the Group Entities or the persons in control of our Company are or have been prohibited or debarred from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

Neither our Promoters nor any of our Directors, or persons in control of our Company were or are a promoter, director, or person in control of any other company which is debarred or prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority. Further, there have been no violations of securities laws committed by any of them in the past or are currently pending against them.

None of our Directors or the entities that our Directors are associated with are engaged in securities market related business and are registered with SEBI. There has been no actions taken by SEBI against our Directors or any of the entities in which our Directors are involved in as promoters or directors.

Neither our Company, nor our Promoters, relatives (as defined under the Companies Act, 2013) of our Promoters, Directors, Group Entities, have been identified as a wilful defaulter by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

ELIGIBILITY FOR THE ISSUE

Our Company is eligible for the Issue in accordance with the Regulation 26(1) of the SEBI ICDR Regulations as explained below:

- Our Company has had restated net tangible assets of at least ₹30 million in each of the preceding three full years (of 12 months each), of which not more than 50 % are held in monetary assets, on standalone basis;

- Our Company has a minimum average restated pre-tax operating profit of at least ₹150 million calculated on a restated standalone basis, during the three most profitable years out of the immediately preceding five financial years;

- Our Company has a net worth of at least ₹10 million in each of the three preceding full years (of 12 months each) on standalone basis;

- The aggregate size of the proposed Issue and all previous issues made in the same Financial Year in terms of issue size is not expected to exceed five times the pre-Issue net worth as per the audited balance sheet of our Company for the year ended March 31, 2018; and

- Our Company did not change its name in the last one year.

Our Company's pre-tax operating profit, net worth, net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets derived from the Restated Standalone Financial Information included in this Draft Red Herring Prospectus as at, and for the last five Financial Years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015, and March 31, 2014, are set forth below:

(*₹ in million, unless otherwise stated*)

	Standalone (₹ in million)				
	Fiscal 2018	**Fiscal 2017**	**Fiscal 2016 (Proforma)**	**Fiscal 2015 (Proforma)**	**Fiscal 2014 (Proforma)**
Net tangible assets(i), as restated	3,915.34	3,187.38	2,859.29	2,789.19	1,643.41
Monetary assets(ii), as restated	1,413.60	680.21	1,132.47	515.04	710.20
Monetary assets(ii), as restated as a % of net tangible assets(i), as restated	36.10%	21.34%	39.61%	18.47%	43.21%
Pre-tax operating profit(iii), as restated	1,217.53	854.22	481.35	678.84	617.60
Net worth(iv), as restated	3,982.66	3,253.70	2,928.36	2,801.33	1,643.14

Source: Restated Financial Information.

Note:

(i) Restated 'net tangible assets' are defined as sum of the total assets of our Company excluding deferred tax assets (net) and intangible assets as defined in Ind AS 38 'Intangible Assets' deducted by total non-current liabilities and current liabilities excluding deferred tax liabilities (net), each on a restated basis.

(ii) Restated 'monetary assets' include cash and cash equivalents, other bank balances including non-current portion of fixed deposits with banks and interest accrued thereon, each on a restated basis.

(iii) Restated 'Pre-tax operating profit' has been calculated as restated profit before tax excluding exceptional items, finance costs and other income, each on a restated basis.

(iv) Restated 'net worth' means the aggregate of the paid up share capital and other equity, each on a restated basis.

Fiscals 2018, 2017 and 2015 are the three most profitable years out of the immediately preceding five Financial Years in terms of our Restated Financial Information.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 1,000, failing which, the entire application money shall be refunded forthwith/unblocked in the respective ASBA Accounts of the ASBA Bidder, as applicable.

Our Company is in compliance with the conditions specified in Regulation 4(2) and 4(5)(a) of the SEBI ICDR Regulations, to the extent applicable.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THIS DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BRLMs, IDFC BANK LIMITED, ICICI SECURITIES LIMITED, IIFL HOLDINGS LIMITED, EMKAY GLOBAL FINANCIAL SERVICES LIMITED AND YES SECURITIES (INDIA) LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLMs ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY

ADEQUATELY, IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMS, IDFC BANK LIMITED, ICICI SECURITIES LIMITED, IIFL HOLDINGS LIMITED, EMKAY GLOBAL FINANCIAL SERVICES LIMITED AND YES SECURITIES (INDIA) LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED AUGUST 20, 2018, WHICH READS AS FOLLOWS:

WE, THE BOOK RUNNING LEAD MANAGERS TO THE ABOVEMENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS DATED AUGUST 20, 2018 PERTAINING TO THE SAID ISSUE (THE "DRAFT RED HERRING PROSPECTUS" OR THE "DRHP");**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**

   (A) **THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**

   (B) **ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC., FRAMED/ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

   (C) **THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT 1956, AS AMENDED AND REPLACED BY THE COMPANIES ACT 2013, TO THE EXTENT IN FORCE, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID. – <u>COMPLIED WITH AND NOTED FOR COMPLIANCE.</u>**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS; – <u>NOTED FOR COMPLIANCE</u>.**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM THE COMPANY'S PROMOTERS (THE "PROMOTERS") HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH SEBI UNTIL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS; – <u>COMPLIED WITH AND NOTED FOR COMPLIANCE.</u>**

6. **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED 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; – <u>COMPLIED WITH AND NOTED FOR COMPLIANCE</u>.**

7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED, 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 SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION WILL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE; – NOT APPLICABLE.

8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION; - COMPLIED WITH;

9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION; – NOTED FOR COMPLIANCE. ALL MONIES RECEIVED OUT OF THE ISSUE SHALL BE TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013.

10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE; – NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT 2013, EQUITY SHARES IN THE ISSUE WILL BE ISSUED IN DEMATERIALISED FORM ONLY.

11. WE CERTIFY THAT ALL APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED, HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION;

12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:

    (A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND – COMPLIED WITH.

    (B) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SEBI FROM TIME TO TIME. – COMPLIED WITH.

13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED, WHILE MAKING THE ISSUE – NOTED FOR COMPLIANCE;

14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, *ETC.*; — COMPLIED WITH. REFER TO THE DUE DILIGENCE PROCESS NOTE ENCLOSED AS ANNEXURE A.

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY; – COMPLIED WITH REFER TO ANNEXURE B.**

16. **WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGERS (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY THE SEBI THROUGH CIRCULAR; – COMPLIED WITH REFER TO ANNEXURE C.**

17. **WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS – COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS OF THE COMPANY REPORTED , AS PER THE INDIAN ACCOUNTING STANDARD 24 (IND-AS 24) AS DISCLOSED IN THE RESTATED FINANCIAL INFORMATION OF THE COMPANY REPORTED AND INCLUDED IN THE DRAFT RED HERRING PROSPECTUS AS CERTIFIED BY JHS & ASSOCIATES LLP, CHARTERED ACCOUNTANTS (FIRM REGISTRATION NUMBER: 133288W/W100099), PURSUANT TO A CERTIFICATE DATED AUGUST 20, 2018 FOR THE PERIOD OF 5 YEARS ENDING MARCH 31, 2018; AND**

18. **WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, (IF APPLICABLE). – NOT APPLICABLE**

The filing of this Draft Red Herring Prospectus does not, however, absolve our Company or any person who has authorised the issue of this Draft Red Herring Prospectus from any liabilities under Section 34 or Section 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory and / or other clearances as may be required for the purpose of the Issue. SEBI further reserves the right to take up at any point of time, with the BRLMs, any irregularities or lapses in this Draft Red Herring Prospectus, the Red Herring Prospectus and Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30, 32 and 33 of the Companies Act, 2013.

Caution - Disclaimer from our Company, our Directors and the BRLMs

Our Company, the Directors, and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus, or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website https://sencogoldanddiamonds.com/ or the respective websites of our members of the Promoter Group or Group Entities, would be doing so at his or her own risk.

The BRLMs accept no responsibility for statements made in this Draft Red Herring Prospectus, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered into between the Underwriters and our Company.

All information shall be made available by our Company and the BRLMs to the public and investors at large and no selective or additional information would be made available by our Company or the BRLMs for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding centres or elsewhere.

None among our Company or any member of the Syndicate shall be liable for any failure in uploading the Bids due to faults in any software / hardware system or otherwise.

Investors who Bid in the Issue will be required to confirm and will be deemed to have represented to our Company, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares, and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, 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.

The BRLMs and their respective associates (as per the Companies Act, 2013) and affiliates may engage in transactions with, and perform services for, our Company and their respective group entities, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company and their respective group entities, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds registered with the SEBI, public financial institutions as defined in Section 2(72) of the Companies Act, 2013, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their respective constitution to hold and invest in shares, permitted insurance companies and pension funds, multilateral and bilateral development financial institutions, state industrial development corporations, and insurance funds set up and managed by the army, navy, or air force of the Union of India, and insurance funds set up and managed by the Department of Posts, India), systematically important non-banking financial companies, Eligible NRIs and FPIs. This Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to, or purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) at Mumbai only.

No action has been, or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus had been filed with the SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or our Group Entities since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and, unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any and applicable U.S. state securities laws. The Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdiction where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice cum Refund Intimation that such Bidder will not sell or transfer any Equity Shares or 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 in accordance with the applicable laws.

Disclaimer clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Disclaimer clause of the NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at Plot No. C 4-A, ‘G’ Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 will be delivered for registration with RoC at the Office of the Registrar of Companies, Nizam House, 2nd MSO Building, 2nd Floor, 234/4, A.J.C.B. Road, Kolkata 700 020.

Listing

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares being issued pursuant to the Issue and [●] is the Designated Stock Exchange, with which the Basis of Allotment will be finalised for the Issue.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay all monies received from the applicants in pursuance of the Red Herring Prospectus as required by applicable law. If such money is not repaid within the prescribed time, then our Company, and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at all the Stock Exchanges mentioned above are taken within six Working Days from the Bid / Issue Closing Date or within such other period as may be prescribed. If our Company does not allot Equity Shares pursuant to the Issue within such timeline as may be prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period.

Price information of past issues handled by the BRLMs

A. IDFC Bank Limited

Table 1: Price information of past issues during current financial year and two financial years preceding the current financial year handled by IDFC Bank Limited:

Sr. No.	Issuer Name	Issue Size (₹ Million)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (₹)	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark] – 180th calendar day from listing
1.	Shankara Building Products Limited	3,450.01	460.00	April 05, 2017	545.00	51.25% [0.51%]	81.25% [4.16%]	214.30% [5.08%]
2.	Dixon Technologies (India) Limited	5,992.79	1,766.00	September 18, 2017	2,725.00	50.07% [0.57%]	97.90% [3.63%]	95.41% [2.32%]
3.	The New India Assurance Company Limited	95,858.23	800.00*	November 13, 2017	748.90	-27.66% [0.59%]	-8.29% [3.84%]	-12.93 % [7.57%]
4.	Khadim India Limited	5,430.57	750.00	November 14, 2017	730.00	-10.40% [0.06%]	-6.47% [3.47%]	10.21% [6.09%]
5.	HDFC Standard Life Insurance Company Limited	86,950.07	290.00	November 17, 2017	310.00	30.16% [1.02%]	48.93% [2.11%]	74.66% [5.04%]
6.	Shalby Limited	5,048.00	248.00	December 15, 2017	239.70	-3.57% [3.95%]	-11.51% [0.75%]	-28.51% [4.93%]
7.	Future Supply Chain Solutions Limited	6,496.95	664.00	December 18, 2017	674.00	3.26% [3.48%]	4.65% [-2.02%]	-5.38% [6.01%]
8.	Newgen Software Technologies Ltd	4,246.21	245.00	January 29, 2018	253.00	-0.29% [-5.34%]	2.57% [-3.09%]	-2.35% [2.90%]
9.	Amber Enterprises India Ltd	5,995.74	859.00**	January 30, 2018	1,180.00	27.40% [-5.31%]	32.10% [-2.42%]	10.42% [4.05%]

10.	Rites Limited	4,605.14	185.00***	July 02, 2018	190.00	34.97% [6.56%]	Not Available	Not Available

** The offer price was ₹770.00 per equity share after a discount of ₹ 30 per equity share to retail individual bidders and eligible employees.*

*** The offer price was ₹774.00 per equity share after a discount of ₹85 per equity share to eligible employees.*

**** The offer price was ₹179.00 per equity share after a discount of ₹6 per equity share to retail individual bidders and eligible employees.*

Notes:

i. *Source:* www.nseindia.com *and* www.bseindia.com *for for the price information and prospectus/finalised basis of allotment for issue details.*

ii. *NSE was the designated stock exchange for the IPOs listed as item 4,5,6 & 10 and BSE was the designated stock exchange for the IPOs listed as item 1,2,3,7,8 & 9. Therefore, price information and benchmark index values have been/will be shown only for designated stock exchange. NIFTY and SENSEX have been used as the benchmark indices.*

iii. *In case of reporting dates falling on a trading holiday, values for the trading day, immediately following the trading holiday have been considered.*

iv. *Since 30, 90 and 180 calendar days, from listing date has not elapsed for certain IPOs, data for the same is not available.*

v. *Restricted to latest 10 issues.*

Table 2: Summary statement of disclosure Price information of past issues during current financial year and two financial years preceding the current financial year handled by IDFC Bank Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Million)	No. of IPOs trading at discount - 30th calendar day from listing			No. of IPOs trading at premium - 30th calendar day from listing			No. of IPOs trading at discount - 180th calendar day from listing			No. of IPOs trading at premium - 180th calendar day from listing		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2018-2019*	1	4,605.14	-	-	-	-	1	-	-	-	-	-	-	-
2017-2018	9	219,468.57	-	1	3	2	2	1	-	1	3	3	-	2
2016-2017	1	3,610.00	-	-	1	-	-	-	-	1	-	-	-	-

**As on the date of DRHP*

Notes:

i. *Date of listing of equity shares has been considered for calculating total no. of IPOs in a particular financial year.*

ii. *The discount/premium has been/will be calculated based on the closing stock price.*

iii. *Since 30 and 180 calendar days, from listing date has not elapsed for certain IPOs, data for the same is not available.*

B. ICICI Securities Limited

Table 1: Price information of past issues during current financial year and two financial years preceding the current financial year handled by ICICI Securities Limited:

Sr. No.	Issue Name	Issue Size (₹ Mn.)	Issue Price (₹)	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	AU Small Finance Bank Limited	19,125.14	358.00	10-Jul-17	530.00	+58.76%, [+2.12%]	+65.20%, [+2.23%]	+95.38%,[+8.06%]
2	Security and Intelligence Services (India) Limited	7,795.80	815.00	10-Aug-17	879.80	-3.29%, [+1.17%]	+3.14%, [+5.40%]	+39.12%,[+8.62%]

3	Matrimony.Com Limited	4,974.79	985.00 (1)	21-Sep-17	985.00	-12.28%, [+0.62%]	-7.64%,[+3.37%]	-16.55%,[-0.27%]
4	ICICI Lombard General Insurance Company Limited	57,009.39	661.00	27-Sep-17	651.10	+3.62%, [+6.25%]	+18.97%,[+8.17 %]	+15.36%,[4.06%]
5	SBI Life Insurance Company Limited	83,887.29	700.00 (2)	03-Oct-17	735.00	-7.56%, [+5.89%]	-0.07%,[+5.84%]	-2.30%,[3.57%]
6	Newgen Software Technologies Limited	4,246.20	245.00	29-Jan-18	254.10	-0.20%, [-5.18%]	+2.51%[-3.51%]	-2.00%,[1.33%]
7	Galaxy Surfactants Limited	9,370.90	1,480.00	8-Feb-18	1,525.00	+1.14%, [-3.31%]	-0.85%[+1.33%]	-14.68%,[7.66%]
8	Aster DM Healthcare Limited	9,801.40	190.00	26-Feb-18	183.00	-13.66%,[-3.77%]	-5.39%,[+1.00%]	-
9	Sandhar Technologies Limited	5,124.80	332.00	02-Apr-18	346.10	+19.59%[+4.96%]	+15.41%,[+4.36 %]	-
10	HDFC Asset Management Company Limited	28,003.31	1,100.00	06-Aug-18	1,726.25	-	-	-

(1) Discount of ₹98 per equity share offered to retail investors and to Eligible Employees. All calculations are based on issue price of ₹ 985.00 per equity share.
(2) Discount of ₹68 per equity share offered to eligible employees. All calculations are based on issue price of ₹700.00 per equity share.

Notes:
1. *All data sourced from www.nseindia.com*
2. *Benchmark index considered is NIFTY*
3. *30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the next trading day*

Table 2: Summary statement of disclosure Price information of past issues during current financial year and two financial years preceding the current financial year handled by ICICI Securities Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2018-19	2	33,128.11	-	-	-	-	-	1	-	-	-	-		
2017-18	9	208,306.61	-	-	5	1	-	3	-	-	**4**	**1**		
2016-17	12	160,855.45	-	-	3	4	4	1	-	1	1	7		

C. IIFL Holdings Limited

Table 1: Price information of past issues during current financial year and two financial years preceding the current financial year handled by IIFL Holdings Limited:

Sr. No.	Issue Name	Issue Size (in ₹ million)	Issue Price (in ₹ million)	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	Capacit'e Infraprojects Limited	4,000.00	250.00	September 25, 2017	399.00	+34.9%, [+3.3%]	+60.3%, [+5.3%]	+18.1%, [+0.3%]
2	ICICI Lombard General Insurance Company Limited	57,009.39	661.00	September 27, 2017	651.00	+3.3%, [+4.6%]	+19.0%, [+6.7%]	+15.4%, [+2.6%]
3	Indian Energy Exchange Limited	10,007.26	1,650.00	October 23, 2017	1,500.00	-5.6%, [+1.9%]	-1.8%, [+7.4%]	-0.7%, [+4.1%]

4	Reliance Nippon Life Asset Management Limited	15,422.40	252.00	November 06, 2017	295.90	+1.2%, [-3.9%]	+5.9%, [+2.9%]	-4.2%, [+1.6%]
5	HDFC Standard Life Insurance Company Limited	86,950.07	290.00	November 17, 2017	310.00	+31.5%, [+1.2%]	+49.0%, [+3.2%]	+71.6%, [+5.2%]
6	Shalby Limited	5,048.00	248.00	December 15, 2017	239.70	-4.2%, [+4.2%]	-11.7%, [+1.1%]	-29.3%, [+5.9%]
7	Future Supply Chain Solutions Limited	6,496.95	664.00	December 18, 2017	664.00	+4.1%, [+4.4%]	+6.9%, [-1.3%]	-5.2%, [+4.7%]
8	ICICI Securities Limited	35,148.49	520.00	April 04, 2018	435.00	-28.9%, [+3.6%]	-38.6%, [+4.4%]	NA
9	Varroc Engineering Limited	19,551.75	967.00	July 06, 2018	1,015.00	+1.6%, [+5.7%]	NA	NA
10	HDFC Asset Management Company Limited	28,003.31	1,100.00	August 6, 2018	1,726.25	NA	NA	NA

Source: www.nseindia.com

Note: Benchmark Index taken as CNX NIFTY. Price on NSE is considered for all of the above calculations. The 30th, 90th and 180th calendar day from listed day have been taken as listing day plus 30, 90 and 180 calendar days, except wherever 30th /90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered. % change taken against the Issue Price in case of the Issuer. % change taken against closing CNX NIFTY Index a day prior to the listing date. NA means Not Applicable.

Table 2: Summary statement of disclosure Price information of past issues during current financial year and two financial years preceding the current financial year handled by IIFL Holdings Limited:

Financial Year	**Total no. of IPOs**	**Total amount of funds raised (₹ Mn.)**	**No. of IPOs trading at discount - 30th calendar days from listing**			**No. of IPOs trading at premium - 30th calendar days from listing**			**No. of IPOs trading at discount - 180th calendar days from listing**			**No. of IPOs trading at premium - 180th calendar days from listing**		
			Over 50%	**Between 25-50%**	**Less than 25%**	**Over 50%**	**Between 25-50%**	**Less than 25%**	**Over 50%**	**Between 25-50%**	**Less than 25%**	**Over 50%**	**Between 25-50%**	**Less than 25%**
2016-17	5	92,062.31	-	-	1	2	1	1	-	-	-	3	1	1
2017-18	9	198,722.66	-	-	3	1	2	3	-	1	3	2	1	2
2018-19	3	82,703.55	-	1	-	-	-	1	-	-	-	-	-	-

Source: www.nseindia.com

Note: Data for number of IPOs trading at premium/discount taken at closing price on NSE on the respective date. In case any of the days falls on a non-trading day, the closing price on the previous trading day has been considered.

D. Emkay Global Financial Services Limited

Table 1: Price information of past issues during current financial year and two financial years preceding the current financial year handled by Emkay Global Financial Services Limited:

Sr. No.	**Issue Name**	**Issue Size (in ₹ million)**	**Issue Price (in ₹ million)**	**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**
Nil								

Table 2: Summary statement of disclosure Price information of past issues during current financial year and two financial years preceding the current financial year handled by Emkay Global Financial Services Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2018-2019	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note: Data for number of IPOs trading at premium/discount taken at closing price on NSE on the respective date.

The information for the financial year is based on issue listed during such financial year.

E. YES Securities (India) Limited

1. Price information of past issues handled by YES Securities:

Sr. No.	Issue Name	Issue Size (in ₹ million)	Issue Price (in ₹)	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.	Lemon Tree Hotels Limited	10,386.85	56.00	April 9, 2018	61.60	+30.18% - change in closing price; [+3.49% - change in closing benchmark]	+30.09% - change in closing price; [+4.56% - change in closing benchmark]	-
2.	Bharat Dynamics Limited	9,609.44	428.00	March 23, 2018	370.00	-4.65% - change in closing price; [+5.87% - change in closing benchmark]	-10.69% - change in closing price; [+7.43% - change in closing benchmark]	-
3.	Aster DM Healthcare Limited	9,801.37	190.00	February 26, 2018	183.00	-10.63% - change in closing price; [-4.43% - change in closing benchmark]	-5.39% - change in closing price; [+1.00% - change in closing benchmark]	-
4.	Future Supply Chain Solutions Limited	6,496.95	664.00	December 18, 2017	664.00	+4.09% - change in closing price; [+3.85% - change in closing benchmark]	+6.27% - change in closing price; [-2.83% - change in closing benchmark]	-1.29% - change in closing price; [+3.96% - change in closing benchmark]
5.	The New India Assurance Company Limited	96,000.00	800.00	November 13, 2017	750.00	-29.83% - change in closing price; [-0.31% - change in closing benchmark]	-7.81% - change in closing price; [+3.08% - change in closing benchmark]	-11.69% - change in closing price; [+5.69% - change in closing benchmark]

Sr. No.	Issue Name	Issue Size (in ₹ million)	Issue Price (in ₹)	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
6.	Reliance Nippon Life Asset Management Company Limited	15,422.40	252.00	November 06, 2017	295.90	+1.21% - change in closing price; [-3.90% - change in closing benchmark]	+8.12% - change in closing price; [+2.05% - change in closing benchmark]	-1.65% - change in closing price; [+2.52% - change in closing benchmark]
7.	Dixon Technologies (India) Limited	5,992.79	1,766	September 18, 2017	2,725.00	+50.78% - change in closing price; [+0.57% - change in closing benchmark]	+98.26% - change in closing price; [+2.32% - change in closing benchmark]	+92.73% - change in closing price; [-0.58% - change in closing benchmark]
8.	Security and Intelligence Services (India) Limited	7,795.80	815.00	August 10, 2017	879.80	-1.88% - change in closing price; [+1.89% - change in closing benchmark]	+3.14% - change in closing price; [+4.92% - change in closing benchmark]	+45.54% - change in closing price; [+6.90% - change in closing benchmark]
9.	GTPL Hathway Limited	4,848.00	170.00	July 4, 2017	170.00	-13.32% - change in closing price; [+4.16% - change in closing benchmark]	-18.88% - change in closing price; [+2.56% - change in closing benchmark]	-3.68% - change in closing price; [+8.55% - change in closing benchmark]
10.	Central Depository Services (India) Limited	5,239.91	149.00	June 30, 2017	250.00	+127.92% - change in closing price; [+5.84% - change in closing benchmark]	+128.62% - change in closing price; [+2.61% - change in closing benchmark]	+139.03% - change in closing price; [+10.19% - change in closing benchmark]

Notes:

1. *Benchmark Index taken as CNX NIFTY*
2. *Price on NSE is considered for all of the above calculations*
3. *% change taken against the Issue Price in case of the Issuer. % change taken against closing CNX NIFTY Index on the day of the listing date.*
4. *The 30th, 90th and 180th calendar day from listed day have been taken as listing day plus 30, 90 and 180 calendar days. If either of the 30th, 90th or 180th calendar days is a trading holiday, the next trading day has been considered for the computation.*
5. *Restricted to last 10 issues*

Table 2: Summary statement of disclosure Price information of past issues during current financial year and two financial years preceding the current financial year handled by YES Securities (India) Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2018-2019	1	10,386.85	-	-	-	-	1	-	-	-	-	-	-	-
2017-2018	9	161,206.66	-	1	4	2	-	2	-	-	4	2	1	-
2016-2017	2	15,125.00	-	-	1	1	-	-	-	-	-	1	-	1

Note: Data for number of IPOs trading at premium/discount taken at closing price on NSE on the respective date.

The information for the financial year is based on issue listed during such financial year.

Consents

Consents in writing of (a) our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, our Statutory Auditors, the legal counsel, banker / lenders to our Company, the BRLMs, and the Registrar to the Issue, to act in their respective capacities, have been obtained; and (b) the Syndicate Members, Bankers to the Issue/Escrow Bank and Refund Bank to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act. Further, such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, our Statutory Auditors, BSR & Co. LLP, have given their written consent for inclusion of their reports on the Restated Financial Information dated August 6, 2018 and the statement of tax benefits dated August 20, 2018 in the form and context, included in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus for filing with SEBI.

Expert

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

Our Company has received written consent, dated August 20, 2018, from the Auditors to include their name as an 'expert' in this Draft Red Herring Prospectus (including as an "expert" as defined under section 2(38) of the Companies Act, 2013) in relation to the examination reports of the Auditors, dated August 6, 2018, on the Restated Financial Information of our Company and the statement of tax benefits dated August 20, 2018 included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "Expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent, dated August 9, 2018, from Sanyalson Associates Consultants Private Limited, an independent architect to include their name as an 'expert' in this Draft Red Herring Prospectus (including as an "expert" as defined under section 2(38) of the Companies Act, 2013) in relation to the extracts of the certificate, dated August 9, 2018, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "Expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Issue expenses

The expenses of this Issue include, among others, underwriting and management fees, selling commissions, bidding charges, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees, filing fees, auditors' fees and listing fees. For further details of Issue expenses, see "*Objects of the Issue*" on page 92.

Fees payable to the Syndicate

The total fees payable to the Syndicate (including underwriting commission and selling commission) and reimbursement of their out-of-pocket expense will be as per the Syndicate Agreement, a copy of which shall be available for inspection at our Registered Office and Corporate Office, from 10:00 am to 5:00 pm on Working Days from the date of filing the Red Herring

Prospectus until the Bid/Issue Closing Date.

Fees payable to the Registrar to the Issue

The fees payable by our Company to the Registrar to the Issue for processing of applications, data entry, printing of Allotment Advice cum Refund Intimation / CAN / refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Registrar Agreement, a copy of which shall be made available for inspection at the Registered Office and Corporate Office from 10:00 am to 5:00 pm on Working Days from the date of filing the Red Herring Prospectus until the Bid/Issue Closing Date.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post / speed post / under certificate of posting.

Commission payable to SCSBs, Registered Brokers, RTAs and CDPs

For details of the commission payable to SCBS, Registered Brokers, RTAs and CDPs see "*Objects of the Issue*" on page 92.

IPO grading

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

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not made any public or rights issues during the five years preceding the date of this Draft Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

Except as disclosed in "*Capital Structure*" on page 78, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Underwriting commission, brokerage and selling commission paid on previous issues of the Equity Shares

No sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's inception.

Previous capital issue during the previous three years by listed Group Entities of our Company

None of our Group Entities are a listed company.

Performance vis-à-vis objects – Public / rights issue of our Company and / or Group Entities and associate companies of our Company

Our Company has not undertaken any previous public or rights issue. None of our Group Entities or Erstwhile Subsidiaries have undertaken any public or rights issue in the last 10 years preceding the date of filing of this Draft Red Herring Prospectus.

Outstanding debentures or bonds

There are no outstanding debentures or bonds issued by our Company as of the date of this Draft Red Herring Prospectus.

Outstanding Preference Shares or convertible instruments issued by our Company

Except as disclosed in "*Capital Structure*" on page 78, our Company does not have any outstanding preference shares or convertible instruments as of the date of this Draft Red Herring Prospectus.

Partly paid-up Equity Shares

Our Company does not have any partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

Stock market data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange.

Redressal of investor grievances

The Registrar Agreement provides for retention of records with the Registrar to the Issue for a period of at least three years from the last date of despatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances other than the grievances by Anchor Investors in relation to the Bidding process may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

All grievances of the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as name of the sole or First Bidder, Anchor Investor Application Form number, Bidders DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Anchor Investor, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the BRLMs where the Anchor Investor Application Form was submitted by the Anchor Investor.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible. There are no investor complaints pending on the date of this Draft Red Herring Prospectus, and our Company has not received any investor complaint in the three years prior to the filing of the Draft Red Herring Prospectus.

Our Company has constituted a Stakeholders' Relationship Committee comprising 4 as members. For details, see "*Our Management*" on page 153.

Our Company has also appointed Surendra Gupta, Company Secretary of our Company as the Compliance Officer for the Issue. For details, see "*General Information*" on page 68.

There are no listed companies under the same management as our Company.

Changes in auditors

There has been no change in the auditors of our Company during the last three years

Capitalisation of reserves or profits

Our Company has not capitalised its reserves or profits at any time during the last five years, except as stated in "*Capital Structure*" on page 78.

Disposal of investor grievances by listed companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956

There are no listed companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956, and therefore there are no investor complaints pending against our Company.

Revaluation of assets

Our Company has not re-valued its assets at any time in the last five years.

SECTION VII –ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, SCRA, SCRR, the Memorandum of Association and Articles of Association, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the abridged prospectus, Bid cum Application Form, the Revision Form, the CAN/ Allotment Advice cum Refund Intimation and other terms and conditions as may be incorporated in the Allotment Advice cum Refund Intimation and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Issue.

Issue Expenses

For further details in relation to Issue expenses, see "*Objects of the Issue*" and "*Other Regulatory and Statutory Disclosures*" on pages 92 and 459, respectively.

Ranking of the Equity Shares

The Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Companies Act, the Memorandum of Association and Articles of Association, the Listing Regulations and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of voting and the right to receive dividend. The Allottees upon Allotment of Equity Shares under the Issue will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see the sections "*Dividend Policy*" and "*Provisions of the Articles of Association*" on pages 187 and 531, respectively.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum of Association and Articles of Association and provisions of the Listing Regulations. For further details in relation to dividends, see the sections "*Dividend Policy*" and "*Provisions of the Articles of Association*" on pages 187 and 531, respectively. The Allottees upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment.

Face Value and Issue Price

The face value of each Equity Share is ₹ 10 and the Issue Price at the lower end of the Price Band is ₹[●] per Equity Share and at the higher end of the Price Band is ₹[●] per Equity Share. The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot will be decided by our Company in consultation with the BRLMs and will be advertised in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●] and [●] edition of the Bengali daily newspaper [●], Bengali being the regional language of West Bengal where our Registered Office and Corporate Office is located, each with wide circulation, at least five Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchanges.

At any given point of time, there shall be only one denomination of Equity Shares, subject to applicable laws.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the Listing Regulations and the Memorandum of Association and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see the section "*Provisions of the Articles of Association*" on page 531.

Option to receive Equity Shares in Dematerialised Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, agreements have been signed among our Company, the depositories and the Registrar to the Issue:

- Tripartite Agreement dated January 30, 2017 between NSDL, our Company and Registrar to the Issue.
- Tripartite Agreement dated April 4, 2018 between CDSL, our Company and Registrar to the Issue.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Issue will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares.

Period of operation of subscription list

See "*– Bid/Issue Programme*" on page 476.

Joint Holders

Where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship, subject to the Articles of Association.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts/authorities in Mumbai, India

Nomination facility to Bidders

In accordance with Section 72 of the Companies Act, 2013, the sole Bidder, or the First Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office and Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may, at any time, give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, interests, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserve the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company shall issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The BRLMs, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. The BRLMs shall notify the Escrow Collection Banks to release the Bid Amounts of the Anchor Investors. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed. If the Issue is withdrawn after the Designated Date, amounts that have been credited to the Public Issue Account shall be transferred to the Refund Account. If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determine that they will proceed with a fresh issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with the issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.

Bid/Issue Programme

BID/ISSUE OPENS ON	**For all Bidders**	[●]*
BID/ISSUE CLOSES ON	**For QIB Bidders**	[●]**
	For Retail Individual Bidders and Non Institutional Bidders	[●]

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

*** Our Company in consultation with the BRLMs, may consider closing the Bid/Issue Period for QIBs one day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.*

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

Event	Indicative Date
Bid/Issue Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

The above timetable, other than the Bid/Issue Closing Date is indicative and does not constitute any obligation on our Company or members of the Syndicate.

While our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Issue Closing Date or such other period as may be prescribed by SEBI, the timetable may be extended due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges, delay in receipt of final certificates from SCSBs, etc. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Issue Period (except the Bid/Issue Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. IST
Bid/Issue Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

On the Bid/Issue Closing Date, the Bids shall be uploaded until:

i. 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

ii. until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders.

On Bid/Issue Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received in relation to Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be liable to be rejected.

In case of any discrepancy in the data entered in the electronic book vis-a-vis data contained in physical Bid cum Application Form, for a particular Bidder the details of the Bid file received from Stock Exchanges may be taken as final data for purposes of Allotment.

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event large number of Bids are received on the Bid/Issue Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only during Monday to Friday (excluding any public holiday). Neither our Company nor any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Our Company, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly, provided however the Floor Price shall not be less than the face value of the Equity Shares.

In case of revision in the Price Band, the Bid/Issue Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the terminals of the Syndicate Members.

Minimum Subscription

If our Company does not receive (i) the minimum subscription of 90% of the Issue and (ii) minimum Allotment as specified under Rule 19(2)(b) of the SCRR, including through devolvement to the Underwriters, as applicable, our Company shall forthwith refund the entire subscription amount received no later than 60 days from the Bid/Issue Closing Date, If there is a delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and other applicable law.

Our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 26(4) of the SEBI ICDR Regulations.

Further, in case of non-receipt of minimum subscription, application money of Anchor Investors to be refunded shall be credited only to the bank account from which the subscription was remitted.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restrictions on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Issue capital of our Company, Promoter's Minimum Contribution and the Anchor Investor lock-in of Equity Shares as provided in the section "*Capital Structure*" on page 78 and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of the Equity Shares of our Company and on their consolidation/ or splitting, except as provided in the Articles of Association. For details, see the section "*Provisions of the Articles of Association*" on page 531.

ISSUE STRUCTURE

Issue of up to [●] Equity Shares for cash at price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating upto ₹ 6,000 million by our Company. The Issue will constitute [●]% of the post Issue paid-up Equity Share capital of our Company.

The Issue is being made through the Book Building Process.

Particulars	QIBs(1)	Non Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/ allocation*(2)	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Percentage of Issue size available for Allotment/allocation	Not more than 50% of the Issue size However, 5% of the Net QIB Portion will be available for allocation to domestic Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion.	Not less than 15% of the Issue size or Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 35% of the Issue size or Issue less allocation to QIB Bidders and Non Institutional Bidders.
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors	Proportionate	The allotment to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details, please see the section "*Issue Procedure – Part B Allotment Procedure and Basis of Allotment –Allotment to RIBs*" on page 517.(5)
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter.	Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid

Particulars	QIBs[1]	Non Institutional Bidders	Retail Individual Bidders
	does not exceed the Issue size, subject to applicable limits.	does not exceed the Issue size, subject to applicable limits.	Amount does not exceed ₹ 200,000.
Mode of Bidding	Through ASBA process only (other than Anchor Investors)**		
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Mode of Allotment	Compulsorily in dematerialized form		
Allotment Lot	[●] Equity Shares and in multiples of one Equity Shares thereafter		
Trading Lot	One Equity Share		
Who can apply[3]	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, mutual fund registered with SEBI, FPIs other than Category III FPIs, VCFs, AIFs, FVCIs, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million, in accordance with applicable law and National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and, Systemically Important Non-Banking Financial Companies.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, Category III FPIs.	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta).
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder that is specified in the ASBA Form at the time of submission of the ASBA Form[4][5]		

* *Assuming full subscription in the Issue*

*** Anchor Investors will not be permitted to use the ASBA process. The Anchor Investor Application Form will be made available at the offices of the BRLMs*

1) *Our Company in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. For details, see the section "Issue Procedure" on page* 482.

2) *In terms of Rule 19(2)(b) of the SCRR, and in compliance with Regulation 26(1) of the SEBI ICDR Regulations this is and Issue wherein not more than 50% of the Issue will be available for allocation on a proportionate basis to QIBs, provided that our Company, in consultation with the BRLMs, may allocate up*

to 60% of the QIB Portion to Anchor Investors, on a discretionary basis, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. Further, such number of Equity Shares representing 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remaining Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors) including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not less than such number of Equity Shares representing 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than such number of Equity Shares representing 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

3) *In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders.*

4) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms. For details of terms of payment applicable to Anchor Investors, please see the section "Issue Procedure – Part B - Section 7: Allotment Procedure and Basis of Allotment" on page* 517.

5) *In case of oversubscription in Retail Category, maximum number of Retail Individual Bidders who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to Retail Individual Bidders by the minimum Bid Lot ("Retail – Bid Lot Allottees"). The Allotment to Retail Individual Bidders will then be made in the following manner:*

    i. *In the event the number of Retail Individual Bidders who have submitted valid Bids in the Issue is equal to or less than Retail – Bid Lot Allottees, (i) all such Retail Individual Bidders shall be Allotted the minimum Bid Lot; and (ii) the balance Equity Shares, if any, remaining in the Retail Portion shall be Allotted on a proportionate basis to those Retail Individual Bidders who have applied for more than the minimum Bid Lot, for the balance demand of the Equity Shares Bid by them (i.e. the difference between the Equity Shares Bid and the minimum Bid Lot).*

    ii. *In the event number of Retail Individual Bidders who have submitted valid Bids in the Issue is more than the Retail – Bid Lot Allottees, those Retail Individual Bidders, who will be Allotted the minimum Bid Lot shall be determined the basis of draw of lots. In the event of a draw of lots, Allotment will only be made to such Retail Individual Bidders who are successful pursuant to such draw of lots.*

Under subscription, if any, in any category except in the QIB Portion would be met with spill-over from the other categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.

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 (the "General Information Document") included below under section "Issue Procedure - Part B – General Information Document for Investing in Public Issues", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document has been updated to reflect the enactments and regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Our Company and the BRLMs do not accept any responsibility for the completeness and/or the accuracy of the information stated in this section, and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus.

PART A

Book Building Procedure

The Issue is being made through the Book Building Process, in compliance with Regulation 26(1) of the SEBI ICDR Regulations wherein not more than 50% of the Issue will be available for allocation on a proportionate basis to QIBs, provided that our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors, on a discretionary basis, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In case of under-subscription or non-allocation in the Anchor Investor Portion, the remaining Equity Shares will be added back to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All Bidders (except Anchor Investors) shall participate in this Issue mandatorily through the ASBA process by providing details of their respective bank accounts which will be blocked by SCSBs.

ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

Under-subscription, if any, in any category except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be liable to be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Bid cum Application Form

Copies of the ASBA Form and the abridged prospectus will be available with the Designated Intermediaries at relevant Biding Centers, and at Registered Office and Corporate Office of our Company. An electronic copy of the ASBA Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Issue Opening Date.

For Anchor Investors, the Anchor Investor Application Form will be available at the offices of the BRLMs at least one day prior to the Anchor Investor Bidding Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centers only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. Further, ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be liable to be rejected. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis **	White
Non resident including Eligible NRIs, FPIs or FVCIs, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	Blue
Anchor Investors	White

** Excluding electronic Bid cum Application Form*
*** An electronic copy of the ASBA Form will also be available for download on the websites of the NSE (www.nseindia.com) and the BSE (www.bseindia.com) at least one day prior to the Bid/Issue Opening Date*
**** Anchor Investor Application Forms will be made available only at the offices of the BRLMs*

Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms to the respective SCSBs, where the Bidder has the ASBA Account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

Who can Bid?

In addition to the category of Bidders set forth under the sub-section "***- Part B - General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Issue***" on page 496, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

- scientific and/or industrial research organisations authorised in India to invest in the Equity Shares; and
- any other persons eligible to Bid in the Issue under the laws, rules, regulations, guidelines and policies applicable to them.

Participation by Promoters, Promoter Group, the BRLMs, the Syndicate Members and persons related to the Promoters/Promoter Group and associates and affiliates of the BRLMs

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in the Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for the Equity Shares in the Issue, either in the QIB Portion or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither the BRLMs nor any persons related to the BRLMs (other than Mutual Funds sponsored by entities related to the BRLMs), our Promoters, members of our Promoter Group or any persons related to our Promoters or members of our Promoter Groupcan apply in the Issue under the Anchor Investor Portion.

Who can Bid

In addition to the category of Bidders set forth under ―- *Part B* ‑ *General Information Document for Investing in Public Issues* ‑ *Section 3: Category of Investors Eligible to Participate in an Issue*‖ on page 496, any other person eligible to Bid in the Issue under applicable laws, rules, regulations, guidelines and policies are also eligible to invest in Equity Shares.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Anchor Investors

For details in relation to Bids by Anchor Investors, see "*Issue Procedure – Part B – General Information Document for Investing in Public Issues*" on page 493.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("**NRE**") accounts or Foreign Currency Non-Resident ("**FCNR**") Accounts, and Eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non- Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III FPIs and unregulated broad based funds, which are classified as Category II FPI by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iii) such offshore derivate instruments shall not be issued to or transferred to persons who are resident Indians or NRIs or to entities beneficially owned by resident Indians or NRIs. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

An FPI is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to the following conditions:

a) offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and

b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Bids by SEBI registered VCFs, FVCIs and AIFs

The SEBI AIF Regulations and the SEBI FVCI Regulations, *inter alia,* prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

In accordance with the SEBI ICDR Regulations, the shareholding of VCFs, category I & II AIFs and FVCIs held in a company prior to making an initial public offering would be exempt from lock-in requirements, if the shares of such company have been held by them for at least one year prior to the time of filing of a draft offer document with SEBI.

Our Company or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FVCIs, AIFs or FPIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with the RBI, certified copies of: (i) the certificate of registration issued by the 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 reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law. The investment limit for banking companies in non-financial services companies is as per the Banking Regulation Act, 1949, as amended, and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, insurance companies, Systemically Important Non-Banking Financial Companies, insurance funds set up by the army, navy or air force of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million and pension funds with a minimum corpus of ₹250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), 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, as applicable 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 reasons thereof.

Our Company in consultation with the BRLMs, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company in consultation with the BRLM, may deem fit.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the IRDAI Investment Regulations, based on investments in equity shares of the investee company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Issue are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time.

Bids by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserves the right to reject any Bid, without assigning any reason thereof.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important Non-Banking Financial Companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s) and such other approval as may be required by the Systemically Important Non-Banking Financial Companies, must be attached to the Bid-cum Application Form. Failing this, our Company in consultation with the BRLMs reserves the right to reject any Bid, without assigning any reason thereof. Systemically important non-banking financial companies participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

Restriction on Foreign Ownership of Equity Shares

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 the 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 the concerned administrative ministry/department of the Government of India and the RBI, as notified from time to time.

The Government has from time to time made policy pronouncements on foreign direct investment ("**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 Circular of 2017 ("**FDI Circular 2017**"), which, with effect from August 28, 2017, consolidated and superseded 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, FDI Circular 2017 will be valid until the DIPP issues an updated circular.

As per the existing policy of the Government of India, OCBs cannot participate in the Issue. The Equity Shares issued will not be registered under the United States Securities Act, 1933 ("U.S. Securities Act") or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) within India, to Indian institutional, non-institutional and retail investors in offshore transactions, as defined in and in reliance on Regulation S ("Regulation S") under the United States Securities Act of 1933, as amended (the "Securities Act"); and (ii) outside the United States of America and India, to institutional investors in offshore transactions in reliance on Regulation S under the Securities Act.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

General Instructions

***Do's*:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

4. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;

5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time;

6. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;

7. If the first applicant is not the ASBA Account holder, ensure that the Bid cum Application Form is signed by the ASBA Account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

9. In case of joint Bids, the Bid cum Application Form should contain the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

11. Ensure that you submit the revised Bids to the same Designated Intermediary through whom the original Bid was placed and obtain a revised acknowledgment;

12. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/ specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts, for investors who are exempt from the requirement of obtaining/ specifying their PAN for transacting in the securities market and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same; All other applications in which PAN is not mentioned will be liable to be rejected;

13. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule of the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

14. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

15. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

16. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;

17. Ensure that the depository account is active, the correct DP ID, the Client ID and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name DP ID, Client ID and PAN available in the Depository database;

18. Ensure that the Demographic Details are updated, true and correct in all respects; and

19. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid.

20. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in).

21. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid less than the Floor Price or higher than the Cap Price;

3. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);

4. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

5. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

6. Do not submit the Bid cum Application Forms to the Escrow Collection Bank (assuming that such bank is not a SCSB), our Company, or the Registrar to the Issue (assuming that the Registrar to the Issue is not one of the RTAs);

7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

8. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

9. Do not submit the Bid for an amount more than funds available in your ASBA Account;

10. Do not submit more than five Bid cum Application Forms per ASBA Account;

11. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

12. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

13. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872, as amended (other than minors having valid depository accounts as per Demographic Details provided by the depository).

14. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/Issue Closing Date;

15. Do not submit the General Index Register (GIR) number instead of PAN;

16. Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Designated Intermediary;

17. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue; and

18. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor;

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Payment instructions

Instructions for Anchor Investors:

(a) Anchor Investors may submit their Bids with BRLMs only.

(b) Payments should be made either by RTGS, NEFT, or direct credit on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Anchor Investor Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.

(c) If the cheque or demand draft accompanying the Anchor Investor Form is not made favouring the Escrow Account, the Bid is liable to be rejected.

(d) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

(e) Anchor Investors are advised to provide the number of the Anchor Investor Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

Payment into Escrow Account for Anchor Investors

Our Company in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

a) In case of resident Anchor Investors: "[●]"

b) In case of Non-Resident Anchor Investors: "[●]"

Pre- Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in [●] editions of English national newspaper [●], [●] editions of the Hindi national newspaper [●] and [●] edition of the Bengali daily newspaper [●], Bengali being the regional language of West Bengal where our Registered Office and Corporate Office is located, each with wide circulation.

Signing of the Underwriting Agreement and filing of Prospectus with the RoC

a) Our Company and the Underwriters intend to enter into an Underwriting Agreement after the finalisation of the Issue Price.

b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with the applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, the Anchor Investor Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

"*Any person who:*

a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

c) ***otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name***

***shall be liable for action under Section 447.*"**

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Undertakings by our Company

Our Company undertakes the following that:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders;
- if our Company does not proceed with the Issue after the Bid/Issue Closing Date, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- it shall not have any recourse to the proceeds of the Issue until final listing and trading approvals have been received from the Stock Exchanges;
- if our Company withdraws the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue;
- the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Bid/Issue Closing Date will be taken;
- if Allotment is not made application money will be refunded/unblocked in ASBA Account within 15 days from the Bid/Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Bidders at the rate of 15% per annum for the delayed period;
- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days from the Bid/Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- the certificates of the securities/refund orders to Eligible NRIs shall be despatched within specified time; and
- no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

Utilisation of Issue proceeds

The Board of Directors certify that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;

- details of all monies utilised out of the Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;

- details of all unutilised monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested;

- the utilisation of monies received under the Promoters' contribution, if any, shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

- the details of all unutilised monies out of the funds received under the Promoters' contribution, if any shall be disclosed under a separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

PART B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. Bidders / Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Bidders / Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Red Herring Prospectus / Prospectus before investing in the Issue.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price Issues. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders / Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**SEBI ICDR Regulations, 2009**").

Bidders / Applicants should note that investment in equity and equity related securities involves risk and Bidder / Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and / or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus ("**RHP**") / Prospectus filed by the Issuer with the Registrar of Companies ("**RoC**"). Bidders / Applicants should carefully read the entire RHP / Prospectus and the Bid cum Application Form / Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and / or overlap between the disclosure included in this document and the RHP / Prospectus, the disclosures in the RHP / Prospectus shall prevail. The RHP / Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLMs to the Issue and on the website of Securities and Exchange Board of India ("**SEBI**") at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders / Applicants may see "Glossary and Abbreviations".

SECTION 2: BRIEF INTRODUCTION TO IPOs / FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter alia*, required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders / Applicants may refer to the RHP / Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter alia*, required to comply with the eligibility requirements in terms of Regulation 26 / Regulation 27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders / Applicants may refer to the RHP / Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the Securities Contracts

(Regulation) Rules, 1957 (the "**SCRR**"), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders / Applicants may refer to the RHP / Prospectus.

2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process ("**Book Built Issue**") or undertake a Fixed Price Offer ("**Fixed Price Issue**"). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid / Issue Opening Date, in case of an IPO and at least one Working Day before the Bid / Issue Opening Date, in case of an FPO.

The Floor Price or the Issue Price cannot be lesser than the face value of the securities. Bidders / Applicants should refer to the RHP / Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

The Issue may be kept open for a minimum of three Working Days (for all category of Bidders / Applicants) and not more than ten Working Days. Bidders / Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP / Prospectus for details of the Bid / Issue Period. Details of Bid/Issue Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid / Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid / Issue Period may be extended by at least three Working Days, subject to the total Bid / Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders / Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges, and the advertisement in the newspaper(s) issued in this regard.

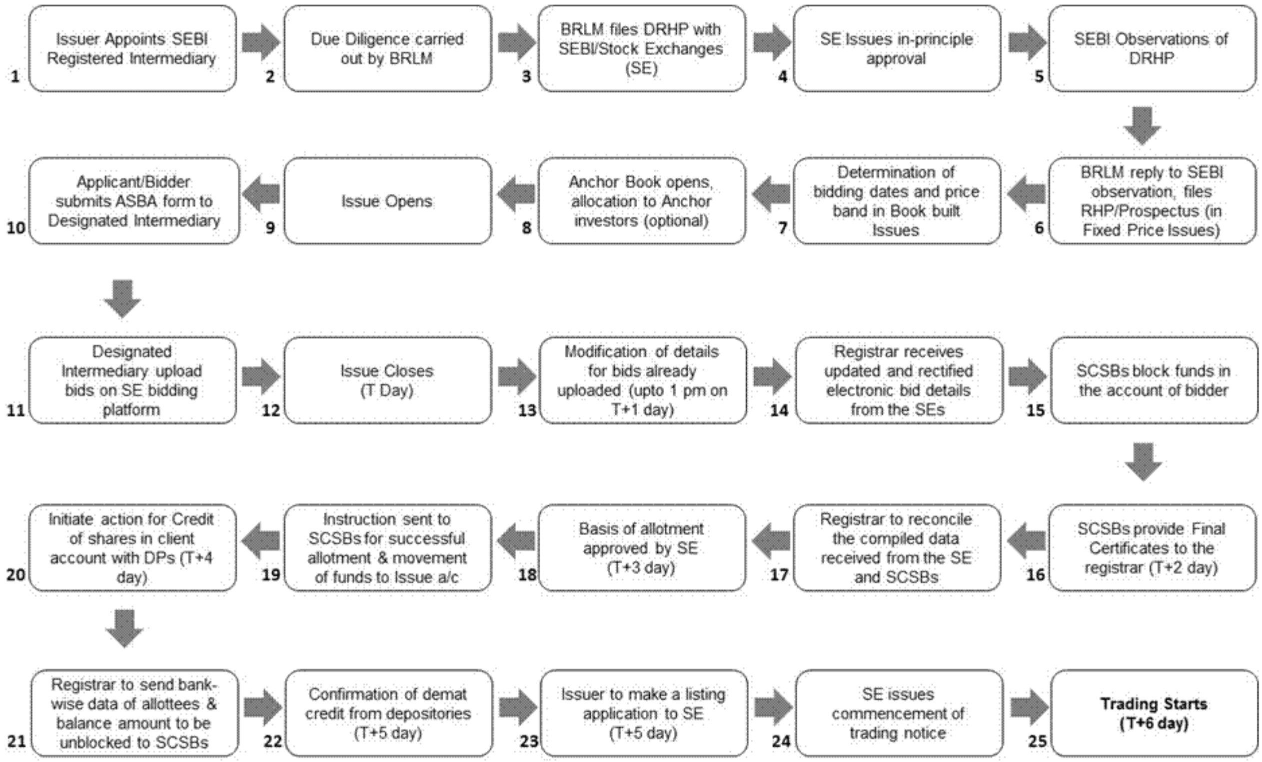
2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs:

- In case of Issue other than Book Build Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

    i. Step 7 : Determination of Issue Date and Price

ii. Step 10: Applicant submits ASBA Form with any of the Designated Intermediaries



SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder / Applicant should check whether it is eligible to apply under applicable law.

Furthermore, certain categories of Bidders / Applicants, such as NRIs, and FPIs may not be allowed to Bid / Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders / Applicants are requested to refer to the RHP / Prospectus for more details.

Subject to the above, an illustrative list of Bidders / Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids / Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder / Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form / Application Form as follows: "Name of sole or first Bidder / Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids / Applications by HUFs may be considered at par with Bids / Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FPIs other than Category III foreign portfolio investors Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIIs category;
- Scientific organisations authorised in India to invest in the Equity Shares;
- Trusts / societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts / societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Any other person eligible to Bid / Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws; and
- As per the existing regulations, OCBs are not allowed to participate in an Issue.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) bearing the stamp of a Designated Intermediary, as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the BRLMs, the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid / Issue Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the RHP / Prospectus.

Fixed Price Issue: Applicants should only use the specified Bid cum Application Form bearing the stamp of the relevant Designated Intermediaries, as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the registered office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders / Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders / Applicants is as follows:

Category	Colour of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, FPIs, on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders / Applicants Bidding / applying in the reserved category	As specified by the Issuer

Securities issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders / Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities re-materialised subsequent to Allotment.

4.1 INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM / APPLICATION FORM

Bidders / Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form / Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

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	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. 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

6. INVESTOR STATUS

☐ Individual(s) - IND
☐ Hindu Undivided Family* - HUF
☐ Bodies Corporate - CO
☐ 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 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
	I/We authorise the SCSB to do all acts as are necessary to make the Application in the Issue	
	1)	
	2)	
Date :	3)	

TEAR HERE

LOGO

XYZ LIMITED INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for Broker/SCSB/DP/RTA	Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch
ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile	Email	

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

ASBA Bank A/c No.

Bank & Branch

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

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. 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

6. 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)________

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 THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER

Date : ____________

8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1)
2)
3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

PLEASE FILL IN BLOCK LETTERS

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	Stamp & Signature of SCSB Branch
ASBA Bank A/c No.		
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 (₹)			

ASBA Bank A/c No.

Bank & Branch

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

4.1.1 **FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT**

(a) Bidders / Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

(b) **Mandatory Fields**: Bidders / Applicants should note that the name and address fields are compulsory and e-mail and / or telephone number / mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid cum Application Form / Application Form may be used to dispatch communications in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the Designated Intermediaries and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.

(c) **Joint Bids / Applications**: In the case of Joint Bids/Applications, the Bids / Applications should be made in the name of the Bidder / Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder / Applicant would be required in the Bid cum Application Form / Application Form and such first Bidder / Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Bidder / Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

(d) **Impersonation**: Attention of the Bidders / Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

> **"*Any person who:***
>
> ***(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or***
>
> ***(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or***
>
> ***(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,***
>
> ***shall be liable for action under Section 447.*"**
>
> The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

(e) **Nomination Facility to Bidder / Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of Allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

4.1.2 **FIELD NUMBER 2: PAN OF SOLE/FIRST BIDDER/APPLICANT**

(a) PAN (of the sole / first Bidder / Applicant) provided in the Bid cum Application Form / Application Form should be exactly the same as the PAN of the person in whose sole or first name the relevant beneficiary account is held as per the Depositories' records.

(b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids / Applications on behalf of the Central or State Government, Bids / Applications by officials appointed by the courts and Bids/Applications by Bidders / Applicants residing in Sikkim ("PAN Exempted Bidders / Applicants"). Consequently, all Bidders / Applicants, other than the PAN Exempted Bidders / Applicants, are required to disclose their PAN in the Bid cum Application Form / Application Form, irrespective of the Bid / Application Amount. Bids / Applications by the Bidders / Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

(c) The exemption for the PAN Exempted Bidders / Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

(d) Bid cum Application Forms which provide the GIR Number instead of PAN may be rejected.

(e) Bids / Applications by Bidders / Applicants whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the Circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

4.1.3 **FIELD NUMBER 3: BIDDERS / APPLICANTS DEPOSITORY ACCOUNT DETAILS**

(a) Bidders / Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form / Application Form. The DP ID and Client ID provided in the Bid cum Application Form / Application Form should match with the DP ID and Client ID available in the Depository database, **<u>otherwise, the Bid cum Application Form is liable to be rejected.</u>**

(b) Bidders / Applicants should ensure that the beneficiary account provided in the Bid cum Application Form / Application Form is active.

(c) Bidders / Applicants should note that on the basis of the DP ID and Client ID as provided in the Bid cum Application Form / Application Form, the Bidder / Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder / Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for other correspondence(s) related to an Issue.

(d) Bidders / Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders / Applicants' sole risk.

4.1.4 **FIELD NUMBER 4: BID OPTIONS**

(a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus / RHP by the Issuer. The Issuer is required to announce the Floor

Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid / Issue Opening Date in case of an IPO, and at least one Working Day before Bid / Issue Opening Date in case of an FPO.

(b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs / FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (for further details Bidders may refer to Section 5.6 (e)).

(c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.

(d) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.

(e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may to the RHP / Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 **Maximum and Minimum Bid Size**

(a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Bidders and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹200,000. Bids by Employees must be for such number of shares to as to ensure that the Bid Amount less Discount (if applicable), payable by the Bidder does not exceed ₹500,000.

(b) In case the Bid Amount exceeds ₹200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.

(c) For NRIs, a Bid Amount of up to ₹200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹200,000 may be considered under the Non-Institutional Category for the purposes of allocation.

(d) Bids by QIBs and NIBs must be for such minimum number of shares such that the Bid Amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP / Prospectus, or as advertised by the Issuer, as the case may be. NIBs and QIBs are not allowed to Bid at Cut-off Price.

(e) RIIs may revise their bids or withdraw their bids until the Bid / Issue Closing Date. QIBs and NIIs cannot withdraw or lower their Bids (in terms of quantity of Equity Share or the Bid Amount) at any stage after Bidding.

(f) In case the Bid Amount reduces to ₹200,000 or less due to a revision of the Price Band, Bids by the NIBs who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

(g) For Anchor Investors, if applicable, the Bid Amount shall be least ₹10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Portion under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid / Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Allocation Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Allocation Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.

(h) A Bid cannot be submitted for more than the Issue size.

(i) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.

(j) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the highest number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders may refer to (Section 5.6 (e))

4.1.4.2 **Multiple Bids**

(a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of three Bids at different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

(b) Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

(c) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:

i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.

ii. For Bids from Mutual Funds, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

(d) The following Bids may not be treated as multiple Bids:

i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Net Offer portion in public category.

ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.

iii. Bids by Mutual Funds, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion.

4.1.5 FIELD NUMBER 5: CATEGORY OF BIDDERS

(a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Issue are RIBs, NIBs and QIBs.

(b) Up to 60% of the QIB Portion can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, Bidders may refer to the RHP / Prospectus.

(c) An Issuer can make reservation for certain categories of Bidders / Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders / Applicants may refer to the RHP / Prospectus.

(d) The SEBI ICDR Regulations, 2009, specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder / Applicant may refer to the RHP / Prospectus.

4.1.6 FIELD NUMBER 6: INVESTOR STATUS

(a) Each Bidder / Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Issue is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Bidders / Applicants, such as NRIs and FPIs may not be allowed to Bid / Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders / Applicants are requested to refer to the RHP / Prospectus for more details.

(c) Bidders / Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.

(d) Bidders / Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 FIELD NUMBER 7: PAYMENT DETAILS

(a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provided in the ASBA Form. If Discount is applicable in the Issue, RIBs should indicate the full Bid Amount in the Bid cum Application Form and funds shall be blocked for the Bid Amount net of Discount. Only in cases where the RHP / Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.

(b) RIBs who Bid at Cut-off Price shall arrange to block the Bid Amount based on the Cap Price.

(c) All Bidders (except Anchor Investors) have to participate in the Issue only through the ASBA mechanism.

(d) Bid Amount cannot be paid in cash, cheques, demand drafts, through money order or through postal order.

4.1.7.1 **Instructions for Anchor Investors:**

(a) Anchor Investors may submit their Bids through a Book Running Lead Manager.

(b) Payments should be made either by direct credit, RTGS or NEFT.

(c) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

4.1.7.2 **Payment instructions for ASBA Bidders**

(a) Bidders may submit the ASBA Form either

i. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA Account specified in the Bid cum Application Form, or

ii. in physical mode to any Designated Intermediary.

(b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.

(c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder.

(d) Bidders shall note that for the purpose of blocking funds under ASBA facility, clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

(f) Bidders should submit the Bid cum Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the Registered Brokers at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations.

(g) Bidders bidding through a Designated Intermediary, other than a SCSB, should note that ASBA Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit ASBA Forms.

(h) Bidders bidding directly through the SCSBs should ensure that the ASBA Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(i) Upon receipt of the ASBA Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Form.

(j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the ASBA Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.

(k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids and such bids are liable to be rejected.

(l) Upon submission of a completed ASBA Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the ASBA Form in the ASBA Account maintained with the SCSBs.

(m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.

(n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.2.1 **Unblocking of ASBA Account**

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the Designated Branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the ASBA Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid / Issue Closing Date.

4.1.7.3 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) Bidders applying under RIB category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP / Prospectus.

(c) The Bidders entitled to the applicable Discount in the Issue may block the Bid Amount less Discount.

Bidder may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RIB category.

4.1.8 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

(a) Only the First Bidder / Applicant is required to sign the Bid cum Application Form / Application Form. Bidders / Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

(b) If the ASBA Account is held by a person or persons other than the Bidder / Applicant, then the Signature of the ASBA Account holder(s) is also required.

(c) The signature has to be correctly affixed in the authorisation / undertaking box in the Bid cum Application Form / Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form / Application Form.

(d) Bidders / Applicants must note that Bid cum Application Form / Application Form without signature of Bidder / Applicant and / or ASBA Account holder is liable to be rejected.

4.1.9 **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

(a) Bidders should ensure that they receive the Acknowledgment Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the ASBA Form.

(b) All communications in connection with Bids made in the Issue may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder / Applicant, Bid cum Application Form number, Bidders' / Applicants' DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, the investor shall also enclose a copy of the Acknowledgment Slip duly received from the Designated Intermediaries in addition to the information mentioned hereinabove.

For further details, Bidder / Applicant may refer to the RHP / Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

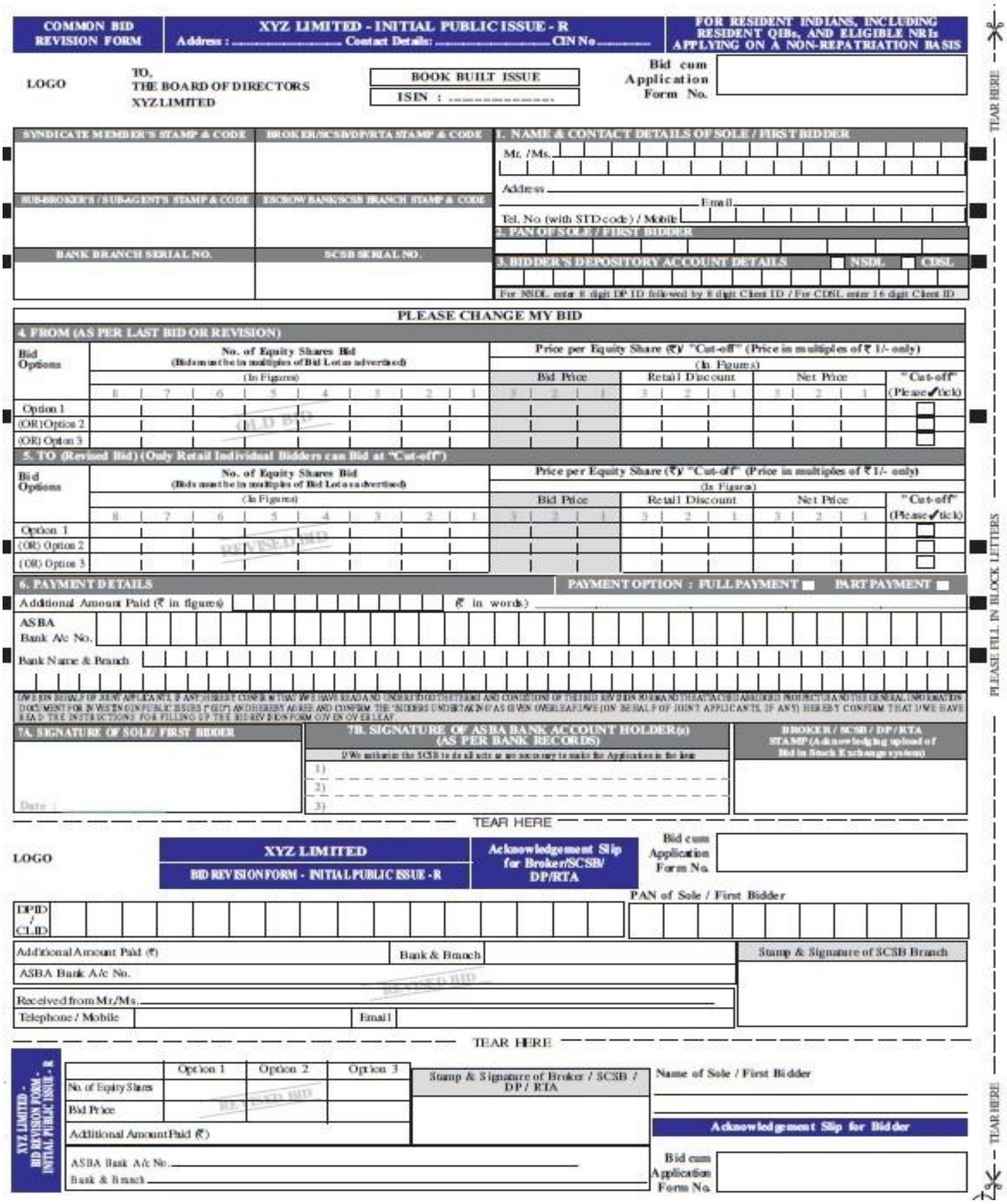
(a) During the Bid / Issue Period, any Bidder / Applicant (other than QIBs and NIBs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.

(b) RIB may revise their bids or withdraw their Bids till the Bid / Issue Closing Date.

(c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

(d) The Bidder / Applicant can make this revision any number of times during the Bid / Issue Period. However, for any revision(s) in the Bid, the Bidders / Applicants will have to use the services of the same Designated Intermediary through which such Bidder / Applicant had placed the original Bid. Bidders / Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:


COMMON BID REVISION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - R
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 | 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

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					

OLD BID

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					

REVISED BID

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 (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED 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 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 authorize the SCSB to do all acts as are necessary to make the Application in the Issue
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
ASBA Bank A/c No.
Stamp & Signature of SCSB Branch
Received from Mr./Ms.
Telephone / Mobile | Email

TEAR HERE

XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Additional Amount Paid (₹)			

ASBA Bank A/c No.
Bank & Branch

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE
PLEASE FILL IN BLOCK LETTERS

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1.1 **FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE / FIRST BIDDER / APPLICANTS, PAN OF SOLE / FIRST BIDDER / APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER / APPLICANT**

Bidders / Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 **FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

(a) Apart from mentioning the revised options in the Revision Form, the Bidder / Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder / Applicant has Bid for three options in the Bid cum Application Form and such Bidder / Applicant is changing only one of the options in the Revision Form, the Bidder / Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.

(b) In case of revision, Bid options should be provided by Bidders / Applicants in the same order as provided in the Bid cum Application Form.

(c) In case of revision of Bids by RIBs and Retail Individual Shareholders, such Bidders / Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹200,000 and Employees should ensure that the Bid Amount, subsequent to revision, does not exceed ₹500,000. In case the Bid Amount exceeds ₹200,000 (in the case of RIBs and Retail Individual Shareholders) or ₹500,000 (in the case of Employees) due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIBs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.

(d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP / Prospectus. If, however, the RIB does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid, where possible. shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RIB and the RIB is deemed to have approved such revised Bid at Cut-off Price.

4.2.3 **FIELD 6: PAYMENT DETAILS**

(a) All Bidders / Applicants are required to authorise that the full Bid Amount (less Discount (if applicable) is blocked. In case of Bidders / Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.

(b) Bidder / Applicants may issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder / Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

(c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP / Prospectus. If, however, the Bidder / Applicant does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for, where possible, may be adjusted downwards for the purpose of Allotment, such that additional amount is required to be blocked and the Bidder / Applicant is deemed to have approved such revised Bid at the Cut-off Price.

(d) In case of a downward revision in the Price Band, RIBs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount blocked at the time of Bidding may be unblocked after the finalisation of basis of allotment.

4.2.4 **FIELDS 7 : SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders / Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE / FIRST BIDDER/APPLICANT, PAN OF SOLE / FIRST BIDDER / APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER / APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

(a) The Issuer may mention Issue Price or Price Band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).

(b) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the Lead Manager may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.

(c) Applications by RIBs and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹200,000.

(d) Applications by Employees must be for such number of shares so as to ensure that the application amount payable does not exceed ₹500,000 on a net basis.

(e) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.

(f) An application cannot be submitted for more than the Issue size.

(g) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.

(h) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other Designated Intermediary and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

(i) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:

i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds, Applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.

ii. For applications from Mutual Funds, submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

(j) The following applications may not be treated as multiple Bids:

i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Issue portion in public category.

ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.

iii. Applications by Mutual Funds, and sub-accounts of submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 **FIELD NUMBER 5 : CATEGORY OF APPLICANTS**

(a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Issue are RIBs, individual applicants other than RIB's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

(b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.

(c) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation, applicant may refer to the Prospectus.

4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 **FIELD 7: PAYMENT DETAILS**

(a) All Applicants (other than Anchor Investors) are required to make use of ASBA for applying in the Issue

(b) Application Amount cannot be paid in cash, through money order, cheque, demand draft or through postal order or through stock invest.

4.3.5.1 **Payment instructions for ASBA Applicants**

Applicants should refer to instructions contained in paragraphs 4.1.7.2.

4.3.5.2 **Unblocking of ASBA Account**

Applicants should refer to instructions contained in paragraphs 4.1.7.2.1.

4.3.5.3 **Discount** (if applicable)

Applicants should refer to instructions contained in paragraphs 4.1.7.3.

4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4 SUBMISSION OF BID CUM APPLICATION FORM / APPLICATION FORM/REVISION FORM

4.4.1 **Bidders / Applicants may submit completed Bid cum application form / Revision Form in the following manner:-**

Mode of Application	Submission of Bid cum Application Form
Anchor Investors Application Form	1) To the Book Running Lead Manager at the locations mentioned in the Anchor Investors Application Form
ASBA Form	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the RTA at the Designated RTA Locations or the CDPs at the Designated CDP Locations (b) To the Designated Branches of the SCSBs

(a) Bidders / Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid.

(b) Upon submission of the Bid cum Application Form, the Bidder / Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder / Applicant.

(c) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalised after the Bid / Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

(a) During the Bid / Issue Period, Bidders / Applicants may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Managers, to register their Bid.

(b) In case of Bidders / Applicants (excluding NIIs and QIBs) Bidding at Cut-off Price, the Bidders / Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).

(c) For details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders / Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

(a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.

(b) On the Bid / Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

(c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation / Allotment. The Designated Intermediaries are given till 1 p.m. on the next Working Day following the Bid / Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid / Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

5.3 BUILD UP OF THE BOOK

(a) Bids received from various Bidders / Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Issue Period.

(b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid / Issue Period.

5.4 WITHDRAWAL OF BIDS

(a) RIBs can withdraw their Bids until Bid / Issue Closing Date. In case a RIB wishes to withdraw the Bid during the Bid / Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

(b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account upon or after the finalisation of basis of allotment. QIBs and NIBs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

(a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:

i. the Bids accepted by the Designated Intermediary,

ii. the Bids uploaded by the Designated Intermediary, and

iii. the Bid cum application forms accepted but not uploaded by the Designated Intermediary.

(b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all information required is not provided and the Bid cum Application Form is incomplete in any respect.

(c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA Account or on technical grounds.

(d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

(e) All bids by QIBs, NIBs & RIBs Bidders can be rejected on technical grounds listed herein.

5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms / Application Forms can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders / Applicants are advised to note that the Bids / Applications are liable to be rejected, which have been detailed at various places in this GID:-

(a) Bid / Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

(b) Bids/Applications 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) Bids / Applications for shares more than the prescribed limit by each Stock Exchange for each category;

(o) Submission of more than five ASBA Forms / Application Forms per ASBA Account;

(p) Bids / Applications for number of Equity Shares which are not in multiples of Equity Shares as specified in the RHP;

(q) Multiple Bids / Applications as defined in this GID and the RHP / Prospectus;

(r) Bids not uploaded in the Stock Exchanges bidding system.

(s) 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;

(t) Where no confirmation is received from SCSB for blocking of funds;

(u) Bids / Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;

(v) Bids / Applications submitted to Designated Intermediaries at locations other than the Bidding Centers or to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the Issuer or the Registrar to the Issue;

(w) Bids / Applications not uploaded on the terminals of the Stock Exchanges;

(x) 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 Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP / Prospectus. For details in relation to allocation, the Bidder / Applicant may refer to the RHP / Prospectus.

(b) Undersubscription 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 Portion is not available for subscription to other categories.

(c) In case of under subscription in the Issue, spill-over to the extent of such undersubscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an undersubscription applicable to the Issuer, Bidders / Applicants may refer to the RHP.

(d) **Illustration of the Book Building and Price Discovery Process**

Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the price band. For instance, assume a price band of ₹20 to ₹24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	**Bid Price (₹)**	**Cumulative Quantity**	**Subscription**
500	24	500	16.70%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.70%
2,500	20	7,500	250.00%

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

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding ("**Alternate Book Building Process**").

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid / Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIBs, NIBs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and / or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue. As the Issue Price is mentioned in the Fixed Price Issue, therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

Applicants may submit an Application Form either in physical form to any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only ("ASBA Account"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid / Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Bidders; and remaining to (i) individual investors other than Retail Individual Bidders; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders / Applicants may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Bidders and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders / Applicants may refer to RHP / Prospectus. No Retail Individual Bidder will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Bidder Category and the remaining available shares, if any, will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Net Issue (excluding any Offer for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIBs

Bids received from the RIBs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIBs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIBs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot ("**Maximum RIB Allottees**"). The Allotment to the RIBs will then be made in the following manner:

(a) In the event the number of RIBs who have submitted valid Bids in the Issue is equal to or less than Maximum RIB Allottees, (i) all such RIBs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIBs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

(b) In the event the number of RIBs who have submitted valid Bids in the Issue is more than Maximum RIB Allottees, the RIBs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIBS

Bids received from NIBs at or above the Issue Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIBs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full Allotment may be made to NIBs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders / Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Portion (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Portion may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

(a) In the first instance, allocation to Mutual Funds for up to 5% of the QIB Portion may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Portion, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Portion; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;

(b) In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Portion, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Undersubscription below 5% of the QIB Portion, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

(a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the issuer in consultation with the BRLMs, subject to compliance with the following requirements:

i. not more than 60% of the QIB Portion will be allocated to Anchor Investors;

ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:

- a maximum number of two Anchor Investors for allocation up to ₹100 million;

- a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹100 million and up to ₹2500 million subject to minimum Allotment of ₹500 million per such Anchor Investor; and

- a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹2500 million, and an additional 10 Anchor Investors for every additional ₹2500 million or part thereof, subject to minimum Allotment of ₹50 million per such Anchor Investor.

(b) An Anchor Investor shall make an application of a value of at least ₹100 million in the Issue.

(c) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

(d) **In the event that the Issue Price is higher than the Anchor Investor Allocation Price**: Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Allocation Price, as indicated in the revised CAN, within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

(e) **In the event the Issue Price is lower than the Anchor Investor Allocation Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIBs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

(a) Bidders may be categorized according to the number of Equity Shares applied for;

(b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;

(c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;

(d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;

(e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it may be rounded off to the lower whole number. Allotment to all Bidders in such categories may be arrived at after such rounding off; and

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.

(b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders / Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders / Applicants who have been Allotted Equity Shares in the Issue.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders / Applicants Depository Account will be completed within six Working Days of the Bid / Issue Closing Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid / Issue Closing Date. The Registrar to the Issue may initiate corporate action for credit of Equity Shares to the beneficiary account with Depositories, within six Working Days of the Bid / Issue Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in / list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP / Prospectus. The Designated Stock Exchange may be as disclosed in the RHP / Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ₹0.5 million but which may extend to ₹5 million and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹50000 but which may extend to ₹0.3 million, or with both.

If the permissions to deal in and an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from Bidders / Applicants.

If such money is not refunded to the Bidders / Applicants within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP / Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Issue (excluding any offer for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid / Issue Closing Date and repay, without interest, all moneys received from Anchor Investors. In case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable. In case of undersubscription in the Issue involving a Issue and an Offer for Sale, the Equity Shares in the Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may, on and from expiry of 15 days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be Allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to Allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

(a) **In case of ASBA Bids:** Within six Working Days of the Bid / Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Accounts for unsuccessful Bids or for any excess amount blocked on Bidding.

(b) **In case of Anchor Investors:** Within six Working Days of the Bid / Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.

(c) In case of Anchor Investors, the Registrar to the Issue may obtain from the depositories the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, nor the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

(a) **NECS**—Payment of refund may be done through NECS for Bidders / Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder / Applicant as obtained from the Depository;

(b) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

(c) **RTGS**—Anchor Investors having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS.

(d) **Direct Credit**—Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Anchor Investors may refer to RHP / Prospectus.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum if Allotment is not made and the refund instructions have not been given to the clearing system in the disclosed manner / instructions for unblocking of funds in the ASBA Account are not dispatched within 15 days of the Bid / Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid / Issue Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time. In case of inconsistency in the description of a term mentioned below and the description ascribed to such term in other section of this Draft Red Herring Prospectus, the description as ascribed to such term in the in the other section of this Draft Red Herring Prospectus shall prevail.

Term	Description
Allotment / Allot / Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders / Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders / Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allottee	A Bidder / Applicant to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009 and the Red Herring Prospectus.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by ASBA Bidders/Applicants, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
Application Supported by Blocked Amount Form / ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders / Applicants, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder
ASBA Bidder	All Bidders / Applicants except Anchor Investors
Banker(s) to the Issue / Escrow Collection Bank(s) / Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account for Anchor Investors may be opened, and as disclosed in the RHP / Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders / Applicants under the Issue

Term	Description
Bid	An indication to make an offer during the Bid/Issue Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid / Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid / Issue Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Issue Closing Date
Bid / Issue Opening Date	Except in case of Anchor Investors (if applicable), the date on which the Designated Intermediaries may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders / Applicants may refer to the RHP/Prospectus for the Bid / Issue Opening Date
Bid / Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective ASBA Bidders / Applicants can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid / Issue Period for QIBs one working day prior to the Bid / Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Bidders/Applicants may refer to the RHP / Prospectus for the Bid/Issue Period
Bidder / Applicant	Any prospective investor who makes a Bid/Application pursuant to the terms of the RHP / Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder / Applicants should be construed to mean an Applicant
Book Built Process / Book Building Process / Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders / Applicants can submit the ASBA Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.

Term	Description
BRLM(s)/Book Running Lead Manager(s)/Lead Manager/LM	The Book Running Lead Manager to the Issue as disclosed in the RHP / Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Saturday (except 2nd and 4th Saturday of a month and public holidays)
CAN / Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid / Issue Period
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of Circular #CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Issue Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIBs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders / Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders / Applicants including the Bidder / Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (excluding Anchor Investors) and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)

Term	Description
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders / Applicants in the Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Intermediaries	Syndicate, sub-syndicate / agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the ASBA Bidders in relation to the Issue
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP / Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Bidders / Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoter and immediate relatives of the promoter. For further details, Bidder / Applicant may refer to the RHP / Prospectus
Equity Shares	Equity Shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors may transfer money through NEFT / RTGS / direct credit in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Offer, the Book Running Lead Manager(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Issue
FCNR Account	Foreign Currency Non-Resident Account
First Bidder / Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
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

Term	Description
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
Issuer / Company	The Issuer proposing the initial public offering / further public offering as applicable
Maximum RIB Allottees	The maximum number of RIBs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Portion (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP / Prospectus and Bid cum Application Form
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 offer or invitation under the Issue and in relation to whom the RHP / Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion
Non Institutional Investors or NIIs	All Bidders / Applicants registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)

Term	Description
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIBs on a proportionate basis and as disclosed in the RHP / Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP / Prospectus through an offer for sale by the Selling Shareholder
Other Investors	Investors other than Retail Individual Bidders in a Fixed Price Issue. These include individual applicants other than Retail Individual Bidders and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid / Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	A Bank account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Portion	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement

Term	Description
Red Herring Prospectus / RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three days before the Bid / Issue Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account	The account opened with Refund Bank, from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank	Refund bank as disclosed in the RHP / Prospectus and Bid cum Application Form of the Issuer
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of Circular #CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue / RTO	The Registrar to the Issue as disclosed in the RHP / Prospectus and Bid cum Application Form
Reserved Category / Categories	Categories of persons eligible for making application / Bidding under reservation portion
Reservation Portion	The portion of the Issue reserved for such category of eligible Bidders / Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Bidders / RIBs	Investors who applies or bids for a value of not more than ₹200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIBs which shall not be less than the minimum Bid Lot, subject to availability in RIB category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building Process to modify the quantity of Equity Shares and / or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Specified Locations	Refer to definition of Broker Centers

Term	Description
Stock Exchanges/SE	The stock exchanges as disclosed in the RHP / Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Book Running Lead 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 ASBA Forms by Syndicate Members
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP / Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	"Working Day", means all days, other than second and fourth Saturdays of a month, Sundays or a public holiday, on which commercial banks in Mumbai are open for business, provided that with reference to (a) announcement of Price Band; and (b) Bid / Issue Period, shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid / Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, 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.

SECTION VIII – PROVISIONS OF THE ARTICLES OF ASSOCIATION

The Articles of Association of the Company comprise two parts, Part A and Part B. Upon the commencement of listing of the equity shares of the Company on any recognised stock exchange in India pursuant to an initial public offering of the equity shares of the Company, Part B shall automatically stand deleted, not have any force and be deemed to be removed from the Articles of Association and the provisions of the Part A shall automatically come in effect and be in force, without any further corporate or other action by the Company or its shareholders

Part A

The following regulations comprised in these Articles of Association were adopted pursuant to members' resolution passed at the extra ordinary general meeting of the Company held on July 23, 2018 in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Articles of Association of the Company.

(THE COMPANIES ACT, 2013)

(COMPANY LIMITED BY SHARES)

ARTICLES OF ASSOCIATION

OF

SENCO GOLD LIMITED

(Company incorporated under the Companies Act, 1956)

1. Unless the context otherwise requires, words or expressions contained in these Articles shall Interpretation bear the same meaning as in the Act (hereinafter defined) or any statutory modification thereof in force at the date at which the Articles become binding on the Company.

The marginal notes hereto are inserted for convenience and shall not affect the construction hereof and in these presents, unless there be something in the subject or context inconsistent therewith:

"Act"	"Act" mean the Companies Act, 2013, and includes where the context so admits any re- enactment or statutory modification thereof for the time being in force and any previous company law, so far as may be applicable. Words and expressions used in the Articles shall bear the same meaning as used in the Act or the Rules, as the case may.
"Articles"	"Articles" mean these Articles of Association as adopted or as from time to time altered by special resolution.
"Auditors" or "Auditor"	"Auditors" or "Auditor" mean the auditor or auditors of the Company appointed in pursuance of the provisions of Section 139 of the Act.
"Beneficial Owner"	"Beneficial Owner" shall mean the beneficial owner as defined in Clause (a) of Sub-Section (1) of Section 2 of the Depositories Act, 1996.
"Board of Directors" or "Board"	"Board of Directors" or "Board" means the board of directors for the time being of the Company and includes a committee constituted by the board.

“Company”	“Company” means Senco Gold Limited.
“Depositories Act, 1996”	“Depositories Act, 1996” shall mean the Depositories Act, 1996 and includes where the context so admits, any statutory modification or re-enactment thereof.
“Depository”	“Depository” shall mean a depository as defined under Clause (e) of sub-section (1) of Section (2) of the Depositories Act, 1996.
“Directors”	“Directors” mean the directors for the time being of the Company.
”Dividend”	”Dividend” includes interim dividend but excludes bonus Shares.
“Listing Agreement”	“Listing Agreement” means the agreement entered into with the Exchange for listing of Securities and includes where the context so admits any amendment or modification thereof for the time being in force.
“Managing Director”	“Managing Director” means the Managing Director or the Deputy Managing Director or the Joint Managing Director for the time being of the Company by whatever name called.
“Exchange”	“Exchange” means the Stock Exchange or Exchanges where the shares of the Company are listed for the time being.
“Independent Director”	“Independent Director” means a person as defined in Section 149 of the Act and/or the SEBI LODR Regulations entered into with the Exchange including any statutory modifications or re-enactments thereto.
“Key Managerial Personnel”	“Key Managerial Personnel” means the persons as defined in section 2(51) of the Companies Act, 2013.
“Office”	“Office” means the registered office for the time being of the Company.
“Register”	“Register” means the Register of Members of the Company required to be kept under Section 88 of the Act.
“Rules”	“Rules” means the rules framed by the Ministry of Corporate Affairs (‘MCA’) under the Act, as amended from time to time.
”Member” or “Shareholder” means a Person	a. whose name is entered in the Register of Members as holding any Share(s) either solely or jointly: b. Subscriber to the Memorandum of the Company; and c. Beneficial Owner(s)
”Memorandum”	”Memorandum” means the Memorandum of Association of the Company.
”Month”	”Month” shall mean the English Calendar month.
“Seal”	“Seal” shall mean the Common Seal of the Company.
“Paid up”	“Paid up” shall include credited as paid up.
“SEBI LODR Regulations”	“SEBI LODR Regulations” shall mean the Securities and Exchange Board of India (Listing Obiligations and Disclosure Requirements) Regulations, 2015

"Share Capital"	"Share Capital" means the capital for the time being raised or authorised to be raised for the purposes of the Company.
"Shares"	"Shares" shall mean the shares into which the capital is divided and interests corresponding to such Share.
"Person"	"Person" includes any corporation as well as individual.
"Proxy"	"Proxy" includes attorney duly constituted under a power of attorney appointed in accordance with the provisions of the Act and the Rules.
"In Writing" and "Written"	"In Writing" and "Written" includes printing, lithography and other modes of representing or reproducing words in a visible form.
	Words importing the singular number also include the plural number and vice-versa

Table 'F' not to apply	**2.**	The regulations contained in these Articles of Association shall overrule the regulations contained in Table "F" in the Schedule I to the Companies Act, 2013. The Articles of Association referred to in this paragraph shall be subject to any exercise of the statutory power of the Company in reference to the repeal or alteration thereof, or addition to its regulations by special resolution, as prescribed by the Act, and the Articles of Association shall refer to the Articles as existing from time to time.
Company not to purchase its own Shares	**3.**	Save as permitted by Section 67 of the Act, the funds of the Company shall not be employed in the purchase of security, Shares in the Company and the Company shall not give, directly or indirectly, any financial assistance, whether by way of loan, guarantee, the provision of security or otherwise, for the purpose of or in connection with any purchase of or subscription for Shares in the Company or any Company of which it may, for the time being, be a subsidiary.
		The Articles shall not be deemed to effect the power of the Company to enforce repayment of loans to Members or to exercise a lien conferred by Article 31.
Purchase of own Shares	**4.**	Subject to Sections 68 and 70 of the Act, the Company may purchase its own Shares or other specified securities out of (i) its free reserves; or (ii) the securities premium account; or (iii) the proceeds of the issue of any Shares or other specified securities or (iv) otherwise specified by the law for the time being in force.
Registered Office	**5.**	The Office shall be at such place as the Board of Directors shall determine subject to provisions of the Act.

SHARES/SHARE CAPITAL

Share Capital	**6.**	a)	The Authorised Share Capital of the Company is as stated in Clause V of the Memorandum with the rights, privileges and conditions attached thereto as are provided by the Articles of Association for the time being. The Company shall have power to increase, reduce, consolidate, sub-divide or otherwise alter the Share Capital and to divide the Shares in the Share Capital for the time being into several classes and to attach thereof

respectively such preferential or other rights, privileges and conditions in such manner as may be permitted by the Act.

Redeemable Preference Shares

b) Subject to the provisions of these Articles and of the Act, the Company shall have power to issue Preference Shares which may, at the option of the Company, be liable to be redeemed out of the profits or out of the proceeds of a fresh issue of Shares made for the purposes of such redemption. The Board may, subject to the provisions of Section 55 of the Act and the Companies (Share Capital and Debenture) Rules, 2014, exercise such power in such manner as it may think fit.

c) In respect of terms of issue of Shares the provisions of Articles 53, 54, 55, 56 and 57 shall apply.

Dematerialisation of Shares

d) The Company shall be entitled to dematerialize all or any of its existing Shares, rematerialize all or any of its Shares held in the Depositories and / or to offer its fresh Shares or buyback its Shares in a dematerialized form pursuant to the Depositories Act, 1996 and the Relevant Rules, if any.

Allotment of Shares

7. Subject to the provisions of these Articles, the Act and the Rules, the Shares shall be under the control of the Board, who may issue, allot or otherwise dispose off the same or any of them, on such terms and conditions, at such times, either at par or at a premium, and for such consideration as the Board thinks fit, provided that the option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the general meeting.

Power to issue Shares

8. The Company may, subject to the Act issue any part or parts of the unissued Shares (either equity or preference carrying a right to redemption out of the profits or liable to be so redeemed at the option of the Company) upon such terms and conditions and with such rights and privileges annexed thereto as the Board at their discretion may think fit and proper. Subject to the provisions of the Act and the Rules, in particular, the Board may issue such Shares with such preferential or qualifying rights to dividends and for the distribution of the assets of the Company as the Board may subject to the aforesaid sections, determine from time to time.

Commission and Brokerage

9. The Company may exercise the power of paying commission conferred by Section 40(6) of the Act and in such case shall comply with the requirements of that section and Rules. Such 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 or debentures pay such brokerage as may be lawful.

Instalment of Shares to be duly paid

10. 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, shall be the registered holder of the Share or by his executor or administrator.

Liability of joint holders of Shares

11. The joint-holders of a Share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such Share.

Beneficial Interest in any Shares of the Company.

12. Subject to Section 89 of the Act, save as herein otherwise provided, the Company shall be entitled to treat the registered holder of any Share as the absolute owner thereof and accordingly shall not, except as ordered by a court of competent jurisdiction or as by statute required, be bound to recognise any equitable or any other claim to or interest in such Share on the part of any other person.

Who may be registered

13. Shares may be registered in the name of any person, company or other body corporate. Not more than three persons shall be registered as joint holders of any Share.

SHARE CERTIFICATES

Authority to issue Share Certificates

14. Subject to the provisions of the Act and the Companies (Share Capital and Debentures) Rules, 2014 or any statutory modification or re-enactment thereof, Share certificates shall be issued as follows:

i) The certificates of title to Share and duplicate thereof when necessary shall be issued under the Seal of the Company which shall be affixed in the presence of:

a) two Directors duly authorized by the Board for the purpose or the Committee of the Board if so authorized by the Board, and

b) the Secretary or some other person appointed by the Board for the purpose, all of whom shall sign such Share certificate provided that, if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or Whole time Director.

c) A director may sign a Share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the director, or any body entrusted with the duty to take care of the same shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

Members right to Certificate

ii) Every Member shall be entitled free of charge to one certificate for all the Shares of each class registered in his name, or, if the Board so approves to several certificates each for one or more of such Shares. Such certificate shall be issued in accordance with the provisions of the Act and Rules. In respect of any Shares held jointly by several Persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate to one of several joint holders shall be sufficient delivery to all such holders.

Provided, however, no Share certificate(s) shall be issued for Shares held by the "Beneficial Owner(s)" with the depository.

Fees on issue of new Share certificate, registration of probates etc.

iii) No fee shall be charged for:

a) Sub-division and consolidation of Share and debenture certificates and for subdivision of letters of allotment and split, consolidation, renewal and pucca transfer receipts into denominations corresponding to the market unit of trading.

b) Sub-division of renounceable Letters of Right.

c) Issue of new certificates in replacement of those which are old, decrepit or worn-out or where the cages on the reverse for recording transfers have been fully utilized.

d) Registration of any Power of Attorney, Probate, Letter of Administration or similar other documents.

CALLS

Directors may make Calls

15. The Board may, from time to time, subject to the sanction of shareholders and subject to the terms on which any Shares may have been issued and subject to the provisions of Section 49 of the Act, make such calls as the Board 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 each Member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Board. A call may be made payable by instalments and shall be deemed to have been made when the resolution of the Board authorising such call was passed.

Restriction on power to make calls and notice

16. Not less than thirty days' notice of any call shall be given specifying the time and place of payment and to whom such call be paid.

Payment of interest on call

17. i) 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 in respect of the Share for which the call shall have been made or the instalment shall be due, shall pay interest for the same at maximum rate, as prescribed in the Act or Rules or under any other law for the time being in force, from day appointed for the payment thereof to the time of the actual payment or at such lower rate as the Board may determine.

ii) The Board shall be at liberty to waive payment of any such interest either wholly or in part.

Amount payable at fixed times or payable in instalments on calls

18. If by the terms of any Share or otherwise any amount is made payable upon allotment or at any fixed time or by instalments at fixed times, whether on account of the amount 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 Board and of which due notice had been given, and all the provisions herein contained in respect of calls shall relate to such amount or instalment accordingly.

Evidence in action by Company against shareholders

19. On the trial or hearing of any action or suit brought by the Company against any shareholder or his representatives to recover any debt or money claimed to be due to the Company in respect of his/her/its Share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register 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 Board who made any call, nor that a quorum was present at the Board meeting 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.

Payment of calls in advance

20. The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the money due upon the Share held by him beyond the sums actually called for, and upon the money so paid or satisfied in advance, or so in respect thereof as from time to time exceeds the amount of the calls then made upon the Share in respect of which such advance has been made, the Company may pay interest at such rate as may be fixed by the Board. Money so paid in excess of the amount of calls shall not rank for dividends or confer a right to participate in profits. The Board may at any time repay the amount so advanced upon giving to such a Member not less than three months' notice in writing.

Revocation of call

21. A call may be revoked or postponed at the discretion of the Board.

FORFEITURE AND LIEN

If calls or instalment not paid notice may be given

22. If any Member fails to pay any call or instalment of a call on or before the day appointed for the payment of the same, the Board may, at any time, thereafter during such time as the call or instalment remains unpaid, serve notice on such Member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

Date and place of payment of call

23. The notice shall name a day (not being less than thirty days from the date of notice) and the place or places on and at which such call or instalment and such interest and expenses aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time, and at the place appointed the Shares in respect of which such call was made or instalment is payable will be liable to be forfeited.

If notice is not complied with, Share may be forfeited

24. If the requirements of any such notice as aforesaid not be complied with, any Shares in respect of which such notice has been given may, at any time thereafter, before payment of all calls or instalments, interest and expenses, due in respect thereof, be forfeited by a resolution of the Board to that effect.

Notice after to forfeiture

25. 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, with the date thereof, shall forthwith be made in the Register, but no forfeiture shall be in any manner

invalidated by an omission or neglect to give such notice or to make such entry as aforesaid.

Forfeited Share to become property of the Company	**26.**	Any Share so forfeited shall be deemed to be the property of the Company and the Board may sell, re- allot or otherwise dispose of the same in such manner as it thinks fit.
Power to cancel	**27.**	The Board may, at any time before any Shares so forfeited shall have been sold, re-allotted or otherwise disposed off, cancel the forfeiture thereof upon such conditions as it thinks fit.
Liability on forfeiture	**28.**	A Person whose Share has been forfeited shall cease to be a Member in respect of the Share, but shall, notwithstanding the forfeiture, remain liable to pay, and shall forthwith pay to the Company, all calls or all instalments, interest and expenses, owing upon or in respect of such Share, at the time of the forfeiture, together with interest thereon, from the due date to the time of actual payment at such rate as may be fixed by the Board and the Board may enforce the payment thereof, or any part thereof without any deduction or allowance for the value of the Shares at the time of forfeiture, but shall not be under an obligation to do so.
Evidence of forfeiture	**29.**	A duly verified declaration in writing that, the declarant is a Director, Manager or Secretary of the Company and has been authorised by a Board Resolution to act as declarant and that certain Shares in the Company have 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 Shares, and such declaration and the receipt of the Company for the consideration, if any, given for the Shares on the sale or disposition thereof shall constitute a good title to such Shares and the Person to whom any such Share is sold shall be registered as the holder of such Share and shall not be bound to see the application of purchase money, nor shall his title to such Share be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposal.
Forfeiture provisions to apply to non-payment in terms of issue	**30.**	The provisions of Articles 22 to 29 hereof shall apply in the case of non-payment of any sum which, by the terms of issue of Share, becomes payable at a fixed time, whether on account of the nominal value of a Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
Company's lien on Shares	**31.**	The Company shall have a first and paramount lien upon every Share not being fully paid up, registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for moneys called or payable at a fixed time in respect of such Share whether the time for the payment thereof shall have actually arrived or not and no equitable interest in any Share shall be created except as otherwise provided in the Articles. Such lien shall extend to all dividends from time to time declared in respect of such Share subject to the provisions of Section 124 of the Act and also to bonus declared on the shares. Unless otherwise agreed, the registration of a transfer of a Share shall operate as waiver of the Company's lien if any, on such Share. The fully paid up shares shall be free from all lien and that in case of partly paid shares, the Company's lien shall be restricted to money called or payable at a fixed price in respect of such shares.

Enforcing lien of sale	**32.**	For the purpose of enforcing such lien, the Board may sell the Share subject thereto in such manner as it thinks fit, but no sale shall be made until such time for payment as aforesaid shall have arrived and until notice in writing of the intention to sell have been served on such a Member, his executor or administrator or his committee, curator bonis or other legal representative as the case may be and default shall have been made by him or them in the payment of the moneys called or payable at a fixed time in respect of such Share for thirty days after the date of such notice.
Application of proceeds of sale Application of proceeds of sale	**33.**	The net proceeds of the sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the Share before the sale) be paid to the Persons entitled to the Share at the date of this sale.
Validity of sales in exercise of lien and after forfeiture	**34.**	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board may appoint some persons to execute an instrument of transfer of the Share sold and cause the purchaser's name to be entered in the Register in respect of the Share sold, and the purchaser shall not be bound to see 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 Share 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.
Board may issue new Certificate	**35.**	Where any Share under the powers in that behalf herein contained is sold by the Board and the certificate in respect thereof has not been delivered to the Company by the former holder of such Share, the Board may issue a new certificate for such Share distinguishing it in such manner as it may think fit from the certificate not so delivered.
	36.	**ADRs/GDRs**
Issue of ADRs/GDRs		The Company shall, subject to the provisions of the Act, compliance with all applicable laws, rules and regulations, have power to issue ADRs or GDRs on such terms and in such manner as the Board deems fit including their conversion and repayment. Such terms may include, at the discretion of the Board, limitations on voting by holders of ADRs or GDRs, including without limitation, exercise of voting rights in accordance with the directions of the Board or otherwise.
	37.	**EMPLOYEES STOCK OPTIONS**
Employee Stock Option Scheme		Subject to the provisions of the Act and the other applicable law, if any, the Company may issue options to the whole-time directors, officers, or employees of the Company, its subsidiaries or its parent, which would give such directors, officers or employees, the benefit or right to purchase or subscribe at a future date, the securities offered by the Company at a predetermined price, in terms of schemes of employee stock options or employees share purchase or both.
	38.	**VARIATION OF SHARE HOLDER'S RIGHTS**

Shareholder's Right

If at any time the share capital is divided into different classes of shares, all or any of the rights and privileges attached to any class (unless otherwise prohibited by the terms of issue of the shares of that class) may, subject to the provisions of section 48 of the Act, whether or not the Company is being wound up, be modified, commuted, affected, abrogated, varied or dealt with by 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 separate meeting of the holders of three fourths of the issued shares of that class. To every such separate meeting the provisions of these regulations relating to general meeting shall mutatis mutandis apply but so that necessary quorum shall be five members or all the members holding or represented by proxy of the entire issued share of the class in the question.

POWER TO ISSUE SHARES WITH DIFFERENTIAL VOTING RIGHTS

Differential Voting Rights **39.** The Company shall have the power to issue Shares with such differential rights as to dividend, voting or otherwise, subject to the compliance with requirements as provided for in the Companies (Issue of Share Capital with Differential Voting Rights) Rules, 2001, or any other law as may be applicable.

POWER TO ISSUE SHARE WARRANTS

Share Warrants **40.** The Company may issue share warrants subject to and in accordance with the provisions of the Act, and accordingly, the Board may in its discretion, with respect to any share which is fully paid up on an application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the persons signing the application, and on receiving the certificate (if any) of the share and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.

TRANSFER AND TRANSMISSION

Execution of transfer, etc. **41.** The instrument of transfer shall be in writing and all the provisions of Section 56 of the Act and the Companies (Share Capital and Debentures) Rules 2014, shall be duly complied with in respect of all transfers of Shares and the registration thereof.

Transfer of Demat Shares **42.** Nothing contained in the foregoing Article shall apply to transfer of securities affected by the transferor and transferee both of whom are beneficial owners with the depository.

Application by transfer **43.** Application for the registration of the transfer of a Share 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 a partly paid Share, be effected unless the Company gives notice of the application to the transferee in the manner prescribed by Section 56 of the Act and the Companies (Share Capital and Debentures) Rules 2014, and subject to provisions of these Articles 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 of the transfer was made by the transferee.

Form of transfer **44**. The instrument of transfer shall be in the form prescribed by the Act and the Companies (Share Capital and Debentures) Rules 2014, made thereunder.

Form of transfer of Demat Shares **45.** Nothing contained in the foregoing article shall apply to transfer of securities affected by the transferor and transferee both of who are beneficial owners with the depository.

In what cases the Board may refuse to register transfer **46.** Subject to the provisions of these Articles, and of Section 58 of the Act and SEBI LODR Regulations or any statutory modification(s), the Board, may on sufficient cause, refuse to register any transfer of shares or the transmission of shares by operation of law of the right to a Share.

No transfer to a person of unsound mind etc. **47.** No transfer shall be made to a person of unsound mind and no transfer of partly paid Shares shall be made to a minor.

Instrument of transfer left at Office when to be retained **48.** Every instrument of transfer shall be left at the Office for registration, accompanied by the certificate of the Share to be transferred or, if no such certificate is in existence, by the Letter of Allotment of the Share and such other evidences as the Board may require to prove the title of the transferor or his right to transfer the Share. Every instrument of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Board may refuse to register, shall be returned to the person depositing the same.

Notice of refusal to register transfer **49.** If the Board refuses whether in pursuance of Article 41 or otherwise to register the transfer of, or the transmission by operation of law of the right to any Share, the Company shall, within the time prescribed by the Act, Rules or SEBI LODR Regulations send the transferee and transferor or to the person giving intimation of such transmission, as the case may be, notice of the refusal.

The registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.

Fee on registration of transfer **50.** No fee shall be payable to the Company in respect of transfer or transmission of any Shares in the Company.

Transmission of registered Shares **51.** The executor or administrator of a deceased Member (not being one of several joint-holders) shall be the only person recognised by the Company as having any title to the Shares registered in the name of such Member, and in case of the death of any or more of the joint holders of any registered Share, the survivor shall be the only person recognised by the Company as having any title to or interest in such Share, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on the Share held by him jointly with any other person. Before recognising any executor or administrator, the Board may require him to obtain a Grant or Probate or Letters of Administration or other legal representation, as the case may be from a competent Court in India, provided nevertheless that in any case where the Board in its absolute discretion thinks fit it shall be lawful for the Board to dispense, Letters of Administration or such other legal representation upon such terms as to indemnity, as it considers proper.

Transfer of Shares of insane, minor, deceased, or bankrupt Members

52. Any committee or guardian of a lunatic or minor Member or any person becoming entitled to transfer a Share in consequence of the death or bankruptcy or insolvency of any Member upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title as the Board thinks sufficient, may, with the consent of the Board (which the Board shall not be bound to give), be registered as a Member in respect of such Share, or may, subject to the regulations as to transfer hereinbefore contained transfer such Share.

Election under Transmission

53.

i) If the person so becoming entitled under transmission shall elect to be registered as a holder of the Share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

ii) If the person aforesaid shall elect to transfer the Share, he shall testify his election by executing an instrument of transfer of the Share.

iii) All the limitations, restrictions, and provisions, of these Articles relating to the right to transfer and the registration of instruments of transfer of a Share shall be applicable to any such notice or transfer as aforesaid, as if the death, lunacy, bankruptcy or insolvency of the Member had not occurred.

Rights of persons entitled to Shares under Transmission

54. A person so becoming entitled under transmission to a Share by reason of death, lunacy, bankruptcy of the holder shall, subject to the provisions of Article 82 and of Section 123 of the Act, be entitled to the same dividends and other advantages as he would be entitled to if he were the registered holder of the Share, except that he shall not before being registered as a Member in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may at any time give a notice requiring any such person to elect either to be registered himself or to transfer the Share and if the notice is not complied with within the time fixed by the Board, the Board may thereafter withhold payment of all dividends, bonuses, or other moneys payable in respect of the Share, until the requirements of the notice have been complied with.

Nomination of Shares

55.

i) Every holder of Shares in, or holder of debentures of the Company may, at any time, nominate, in the prescribed manner, a person to whom his Shares in, or debentures of, the Company shall vest in event of his death.

ii) Where the Shares in, or debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner a person to whom all the rights in the Shares or debentures of the Company shall vest in the event of death of all joint holders.

iii) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such Shares in or debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the Shares in or debentures of the Company, the nominee shall, on the death of the shareholder or holder of debentures of the Company or, as the case may be, on the death of the joint holder becomes entitled to all the rights in the Shares or debentures of the Company or, as the case may be, all the joint holders, in relation to such Shares in or debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.

iv) Where the nominee is a minor, it shall be lawful for the holder of the Shares or holder of the debentures, to make the nomination to appoint, in the prescribed manner, any person to become entitled to Shares in, or debentures of the Company, in the event of his death, during minority.

v) Any person who becomes a nominee may upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either to be registered himself as holder of the Share(s) or debenture(s) as the case may be; or to make such transfer of the Share(s) or debenture(s) as the deceased shareholder or debenture holder, as the case may be, could have made.

56. The provisions of these Articles relating to transmission by operation of law shall mutatis mutandis apply to any other securities including debentures of the Company.

INCREASE AND REDUCTION OF CAPITAL

Power to increase

57. The Company may by an ordinary resolution passed by the members, increase its capital, from time to time, by creation of new Shares of such amounts as may be deemed expedient.

On what conditions new Shares may be issued

58. Subject to any special rights or privileges for the time being attached to any Shares in the capital of the Company then issued, the new Shares or the existing un-issued Shares of any class may be issued. In the case of new Shares, upon such terms and conditions, and with such rights and privileges attached thereto as the shareholders resolving upon the creation thereof, shall direct, and if no directions be given, and in the case of existing unissued Shares as the Board subject to the Act shall determine, and in particular in the case of preference Shares such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with rights of redemption.

Issue of Sweat Equity Shares to employees or Directors

59. Subject to the provisions of Section 54 of the Act and subject to any special rights or privileges for the time being attached to any Shares of the Company then issued, the Company may issue equity Shares to employees or directors at a discount or for consideration other than cash for providing know-how or making available rights in the nature of intellectual property rights or value additions, by whatever name called or for the performance of past or future services.

Provisions relating to the issue of shares **60.** Before the issue of any new Shares, the Company in General Meeting or through postal ballot, wherever applicable, may make provisions as to the allotment and issue of the new Shares, and in particular may determine to whom the same shall be offered in the first instance and whether at par or at a premium and upon default of any such provision, or so far as the same shall not extend, the new Shares may be issued in conformity with the provisions of Article 7.

How far new Shares to rank with existing Shares **61.** Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new Shares shall be considered part of the then existing Share Capital of the Company and shall be subject to the provisions herein contained with reference to the payment of dividends, calls and instalments, transfer and transmission, forfeiture, lien, surrender and otherwise.

Inequality in numbers of new Shares **62.** If owing to any inequality in the number of new Shares to and the number of Shares held by the Members entitled to have the offer of such new Shares, any difficulty that may arise in the apportionment of such new Shares or any of them amongst the Members, such difficulty shall, in the absence of any direction in the members' resolution creating the Shares or by the Company in general meeting, be determined by the Board.

Reduction of Share Capital **63.** The Company may, subject to the applicable provisions of the Act and Rules, from time to time, by special resolution reduce its capital and capital redemption reserve account or securities premium account or in any other manner and with and subject to any incident authorised and consent required by law.

ALTERATION OF CAPITAL

Powers to alter Capital **64.** The Company in General Meeting or through Postal Ballot may subject to the provisions of the Act from time to time:-

(a) consolidate and divide all or any of its Share Capital into Shares of larger amount than its existing Shares;

(b) sub-divide its existing Shares or any of them into Shares of smaller amount than is fixed by the memorandum so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in the case of the Share from which the reduced Share is derived;

(c) convert all or any of its fully paid up Shares into stock, and reconvert that stock into fully paid up Shares of any denomination;

(d) cancel any Shares which at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its Share capital by the amount of the Shares so cancelled.

Surrender of Shares **65.** Subject to the provisions of the Act, the Board may accept from any Member the surrender on such terms and conditions as shall be agreed, of all or any of his Shares.

MODIFICATION OF RIGHTS

Power to modify rights **66.** Whenever the capital (by reason of the issue of preference Shares or otherwise) is divided into different classes of Shares, all or any of the rights and privileges attached to each class may, subject to the provisions of the Act, be modified, commuted, affected, abrogated, varied or dealt with by agreement between the Company and any persons purporting to contract on behalf of that class provided such agreement is (a) consented to in writing by the holders of at least three-fourths of the issued Shares of that class, or (b) sanctioned by a special resolution passed at a separate Meeting of the holders of the issued Shares of that class and all the provisions herein after contained as to general meetings shall mutatis-mutandis, apply to every such meeting. This Article is not by implication to curtail the power of modification which the Company would have if this Article were omitted. The Company shall comply with the provisions of Section 117 of the Act as to forwarding a copy of any such agreement or resolution to the Registrar of Companies.

BORROWING POWERS

Power to borrow **67.** Subject to the provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, the directors from time to time at their discretion, by resolution passed at the meeting of the Board, accept deposit from Members or public or others either in advance or calls, or otherwise, and generally raise or borrow or secure the payment of any sum or sums of money for the purpose of the Company not exceeding the aggregate of the Paid- up capital of the Company and its reserves (not being reserves set apart for any specific purpose). Provided, however, where the monies to be borrowed, together with the monies already borrowed (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) exceed the aforesaid aggregate, the Directors shall not borrow such monies without the consent of the Company in general meeting by means of special resolution.

Conditions on which money may be borrowed **68.** The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and in particular, by the issue of bonds, redeemable debentures or debenture-stock, or any mortgage, or other tangible security on the undertaking or the whole or any part of the property of the Company (both present and future).

Issue of debentures, debenture- stocks, bonds, etc. with special privileges **69.** Any debentures, debenture-stocks, bonds or other securities may be issued at a premium or otherwise and with any special privileges, as to redemption, surrender, drawings, allotment of Shares, appointment of Directors and otherwise, debentures, debenture-stocks, 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. Provided that the debentures, debenture-stock, bonds or other securities with the right to allotment of the or conversion into Shares shall not be issued except with the consent of the Company in a general meeting or through postal ballot subject to provisions of Section 71 of the Act.

Instrument of transfer **70.** Save as provided in Section 56 of the Act, no transfer of debentures shall be registered unless a common form of transfer is used and the instrument of transfer executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the debentures.

Notice of refusal to register transfer **71.** If the Board refuses to register the transfer of any debentures within time limit as may be prescribed, the Company shall send to the transferee and to the transferor, notice of the refusal.

GENERAL MEETINGS

When Annual General Meeting to be held **72.** In addition to any other meetings, the "Annual General Meeting" of the Company shall be held within such intervals as are specified in the Act and subject to the provisions of the Act, during such business hours and places as may be determined by the Board under the provisions of the Act or the Rules made there under. Any other meeting of the Company shall be called as "Extra-ordinary General Meeting".

Calling of General Meeting by circulation **73.** The Board may also call a General Meeting by passing a resolution by circulation and the resolution so passed would be as effective as a resolution passed at the Board meeting.

Circulation of member's Resolution **74.** The Company shall comply with provisions of Section 111 of the Act, as to giving notice of resolutions and circulating statement on the requisition of Members.

Notice of meeting **75.** Save as permitted under Section 101 of the Act, a General Meeting of the Company may be called by giving not less than clear twenty one days' notice either in writing or through electronic mode. Notice of every meeting shall be given to the Members and such other person or persons as required under and in accordance with Section 101 of the Act and it shall be served in the manner authorized by Sections 20 and 101 of the Act and the Rules made under the Act.

PROCEEDINGS AT GENERAL MEETING

Business of meeting **76.** The ordinary business of an Annual General Meeting shall be to receive and consider the financial statements, including consolidated financial statements and the reports of the Directors and the Auditors thereon, to elect Directors in the place of those retiring, to appoint Auditors and fix their remuneration and to declare dividends. All other business transacted at an Annual General Meeting and all business transacted at any other General Meeting shall be deemed to be special business.

Quorum to be present when business commenced **77.** No business shall be transacted at any General Meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Quorum for the meeting shall be determined in accordance with Section103 of the Act.

When if Quorum not present, **78.** If within half-an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened by requisition of Members shall

meeting to be cancelled and when to be adjourned

be cancelled, but in any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such time and place as the Board may by notice appoint and if at such adjourned meeting a quorum is not present within half-an hour from the time appointed for holding the meeting those Members, who are present and not being less than two shall be quorum and may transact the business for which the meeting was called.

Resolution to be passed by the Company in General Meeting

79. Any act or resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in General Meeting or through postal ballot shall be sufficiently so done or passed if effected by an ordinary resolution as defined in Section 114 (1) of the Act unless either the Act or these Articles specifically require such act to be done or resolution passed by a Special Resolution as defined in Section 114 (2) of the Act.

Chairman of General Meeting

80. The Chairman of the Board shall be entitled to take the chair at every general meeting ("Chairman"). If there is no such Chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding such meeting, or is unwilling to act, the Directors present shall choose another Director as Chairman, and if no Directors is present, or if all the Directors present decline to take the Chair, then the Members present shall, on a show of hands or on a poll if properly demanded, elect one of their numbers being a Member entitled to vote, to be the Chairman.

How questions to be decided at meetings

81. At any general meeting a resolution put to the vote of the meeting shall unless a poll is demanded under Section 109 of the Act or voting is carried out electronically, be decided on a show of hands in accordance with Section 107 of the Act and the Companies (Management and Administration) Rules, 2014. In the case of an equality of votes, the Chairman shall both on a show of hands and at the poll have a casting vote in addition to the vote or votes to which he may be entitled as a member.

What is the evidence of passing of a resolution where poll is demanded

82. A declaration by the Chairman that on an evidence of the show of hands a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion the votes cast in favour of or against such resolution.

Demand for Poll

83. (i) Before or on the declaration of the result of voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of his own motion and shall be ordered to be taken by him on a demand made in that behalf by a Member or Members present in person or by Proxy and holding Shares in the Company conferring their powers to vote on such resolution, being Shares which is not less than one tenth of the total voting power in respect of the resolution or on which the aggregate sum of not less than Rupees Five lacs has been paid up.

(ii) If a poll be demanded as aforesaid it shall be taken forthwith on a question of adjournment or election of a Chairman and in any other case in such manner and at such time, not being later than forty-eight hours from the time, when the demand was made, and at such place as the Chairman directs, and subject as aforesaid, either at once or after an interval or adjournment or otherwise, and the results of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was demanded.

(iii) The demand of a poll may be withdrawn at any time by the person or persons who made the demand.

(iv) Where a poll is to be taken the Chairman shall appoint scrutinizer (s) as prescribed by the Rules to scrutinize the votes given on the poll and report to him thereon.

(v) On a poll a Member entitled to more than one vote, or his Proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

(vi) The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

Power to adjourn General meeting **84.** (i) The Chairman of a General Meeting may adjourn the same from time to time and 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.

(ii) Save as otherwise provided in Section 103 of the Act, when the meeting is adjourned it shall comply with the provisions of that section in respect of the giving notice and advertisements of an adjournment or of the business to be transacted at any adjourned meeting.

Vote of Members **85.** i) Save as hereinafter provided, on a show of hands every Member present in person and being a holder of equity Shares shall have one vote, and every person present either as a Proxy on behalf of a holder of equity Shares, if he is not entitled to vote in his own right, or as a duly authorised representative of a body corporate, being a holder of equity Shares, shall have one vote.

ii) Save as hereinafter provided, on a poll the voting rights of a holder of equity Shares shall be as specified in Section 47 of the Act.

iii) The voting rights of every Member holding preference Shares, if any, shall upon a show of hands or upon a poll be subjected to the provisions, limitations and restrictions laid down in Section 47 of the Act. Provided that no Body corporate shall vote by Proxy so long as resolution of its Board of Directors under the provisions of Section 113 of the Act is in force and the person named in such resolution is present at the General Meeting at which the vote by Proxy is tendered.

iv) A Member may exercise his vote if permitted by the Act and the Rules at a meeting or by postal ballot by electronic means in accordance with the Section 108 of the Act read with the Companies (Management and Administration) Rules, 2014 and shall vote only once.

Procedure where a company or body corporate is Member

86. i) Where a body corporate (hereinafter called "Member Company") is a Member of the Company, a person duly appointed by resolution in accordance with the provisions of Section 113 of the Act to represent such Member Company at a meeting of the Company, shall not by reason of such appointment be deemed to be a Proxy, and the lodging with the Company at the Office or production at the meeting of a copy of such resolution duly signed by one Director of such Member Company and certified by him as being a true copy of the resolution shall, on production at the meeting, be accepted by the Company as sufficient evidence of the validity of his appointment. Such a person shall be entitled to exercise the same rights and powers, including the right to vote by Proxy on behalf of the Member Company which he represents, as that Member Company could exercise if it were an individual Member.

ii) Where the President of India or the Governor of a State is a Member of the Company then his/their representation at the meeting shall be in accordance with Section 112, of the Act.

Votes in respect of deceased, insane and insolvent Members

87. Any person entitled under these Articles for transfer of Shares may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such Shares, provided that at least forty eight hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he purports to vote he shall satisfy the Board of his right to transfer such Shares, unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

If any Member is of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, he may vote whether on a show of hands or at a poll, by his committee, or other legal guardian, and any such committee or legal guardian may, on a poll, give their votes by Proxy.

Joint Holders

88. Where there are joint registered holders of any Share, any one of such persons may vote at any meeting either personally or by Proxy in respect of such Share as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting either personally or by Proxy, then one of the said persons so present whose name stands first on the Register in respect of such Share alone shall be entitled to vote in respect thereof. Several executors or administrators of a deceased Member in whose name any Share is registered shall for the purpose of this Article be deemed joint holders thereof.

Proxies Permitted

89. Votes may be given either personally, or in the case of a body corporate, by a representative duly authorised as aforesaid, or by Proxy in accordance with the provisions of Section 105 of the Act read with the Companies (Management and Administration) Rules, 2014.

Instrument appointing Proxy to be in writing	**90.**	The instrument appointing a Proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or if such appointer is a body corporate, be under its seal or be signed by an officer or attorney duly authorized by it.
Proxy forms to be sent	**91.**	The Company agrees that it will send out Proxy forms to all shareholders and debenture holders in all cases where proposals other than of a purely routine nature are to be considered, such Proxy forms being so worded that a shareholder or debenture holder may vote either for or against each resolution.
Instrument appointing a Proxy to be deposited at the office	**92.**	The instrument appointing a Proxy and the power of attorney or other authority (if any) under which it is signed, or a notarized copy of that power or authority, shall be deposited at the Office not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument purports to vote in respect thereof and in default the instrument of Proxy shall not be treated as valid.
Whether vote by Proxy valid though authority revoked	**93.**	A vote given in accordance with the terms of an instrument appointing a Proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument, or transfer of the Share in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer of the Share shall have been received by the Company at the office before the vote is given. Provided nevertheless that the Chairman shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of Proxy and that the same has not been revoked.
Form of instrument appointing a Proxy	**94.**	Every instrument appointing a Proxy shall be retained by the Company and shall, be in the form as prescribed in the Companies (Management and Administration) Rules, 2014.
Restriction on voting	**95.**	No Member shall be entitled to exercise any voting rights either personally or by Proxy at any meeting of the Company in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, exercised, any right of lien but the Board of Directors may by a resolution passed at the meeting of the Board waive the operation of this Article.
Objections raised on Voting	**96.**	i) Any objection as to the admission or rejection of a vote either, on a show of hands, or on a poll made in due time, shall be referred to the Chairman, who shall forthwith determine the same, and such determination made in good faith shall be final and conclusive. ii) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes.

DIRECTORS

Number of Directors	**97.**	The number of Directors of the Company shall not be less than three (3) and not more than fifteen (15). Provided that the Company may appoint more than fifteen directors after passing a special resolution of members. The composition of the Board of Directors will be in consonance with the Act and the SEBI LODR Regulations.
Company to increase or reduce number of Directors	**98.**	Subject to the provisions of the Act and these Articles, the Company may from time to time increase or reduce the number of Directors within the limits fixed by Article 97
Limit on number of non-retiring Directors	**99.**	a) Subject to the Act and these Articles, the Directors not exceeding one-third of the total number of Directors for the time being of the Company shall be liable to retirement by rotation. The Independent Directors shall not be counted in the total number of Directors for this purpose. b) Subject to the provisions of Articles 96 and 97 and Section 152 of the Act, all Directors other than the Directors who are not retiring by rotation, additional/alternate/Independent Directors shall be persons whose period of office is liable to determination by retirement by rotation. All the Directors who are not retiring except Independent Directors shall however, be counted in determining the number of retiring Directors.
First Directors	**100.**	The subscribers to the Memorandum and Articles of Association of the Company shall be the first Directors of the Company.
Powers of State Financial Corporations and others to nominate Directors	**101.**	The Board may authorise by resolution or by agreement the State Financial Corporation (SFC), State Industrial Development Corporation (SIDC), Life Insurance Corporation of India (LIC), Industrial Finance Corporation of India (IFCI), Industrial Development Bank of India (IDBI), Unit Trust of India (UTI), and/or any other Financial Institution, corporation or any Bank which continue(s) to be Member of the Company by virtue of being holder of any Share or Shares in the Company or to any of the aforesaid Financial Institutions, Corporation or Banks to whom any money remains due by the Company and SFC, LIC, IFCI, SIDC, IDBI, UTI to nominate a Director or Directors to the Board from time to time and to remove from such Office any person or persons so appointed and upon removal of any such person to appoint any other person(s) in his / their place. A Director so appointed shall not be required to hold any qualification Shares nor shall (subject to the provisions of Section 152 read with Section 161(3) of the Act) be liable to retire by rotation or be subject to removal under Article108 hereof. But he shall be counted in determining the number of retiring directors. A Director appointed under this Article shall be ex-Officio Director within the meaning of these Articles.
Debenture Directors	**102.**	Any trust deed for securing debenture or debenture stock may, if so arranged, provide for the appointment, from time to time, by the trustees thereof or by the holders of debentures or debenture stock, of some person or persons to be Director(s) of the Company and may empower such trustees or holders of debentures or debenture stock, from time to time, to remove and re- appoint any Director(s) so appointed. The Directors appointed under this Article are herein referred to as “Debenture

Directors" and the term "Debenture Directors" means the Directors for the time being in office under this Article. The Debenture Director shall not be liable to retire by rotation or be removed by the Company. The trust deed may contain such ancillary provisions as may be arranged between the Company and the trustees and all such provisions shall have effect not withstanding any of the other provisions herein contained. But he shall be counted in determining the number of retiring directors.

Power of Directors to add their number

103. The Board shall have power at any time and from time to time to appoint any person as an additional Director as an addition to the Board but so that the total numbers of Directors should not exceed the limit fixed by these Articles. Any Director so appointed shall hold office only until the next Annual General Meeting of the Company and shall then be eligible for re-election.

Qualification Shares

104. A Director shall not be required to acquire qualification Shares.

Directors Remuneration and Expenses

105. Subject to the approval of the Board each Director shall be entitled to receive out of the funds of the Company a fee for attending a meeting of the Board or a Committee of the Board, within the limit permitted, from time to time, by the Act or the Rules made thereunder. All other remuneration, if any payable by the Company to each Director, whether in respect of his services as a Managing Director or a Director in the whole or part time employment of the Company or otherwise shall be determined in accordance with and subject to the provisions of these Articles and of the Act. The Directors shall be entitled to be paid their reasonable travelling, hotel and other expenses incurred in consequence of their attending the Board and Committee meetings or otherwise incurred in the execution of their duties as Directors or in performing any of the tasks on behalf of the Company.

Remuneration for extra Service

106. If any Director, being willing, shall be called upon to perform extra services or to make any special exertions for any of the purposes of the Company or as a Members of a Committee of the Board then, subject to Section 197 of the Act, the Board may remunerate the Directors so doing either by a fixed sum or by a percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled.

Board may act notwithstanding vacancy

107. The continuing Directors may act notwithstanding any vacancy in their body but so that if the number falls below the minimum as fixed by the articles, the Directors shall not except for the purpose of filing vacancies or for summoning a general meeting act so long as the number is below the minimum.

Vacation of Office of Director

108. The office of Director shall *ipso facto* become vacant if at any time he commits any of the acts set out in Section 167 of the Act.

Office or place of profit

109. No director or other person referred to in Section 188 of the Act shall hold an office or place of profit, save as permitted by that Section and the Companies (Meetings of Board and its Powers) Rules, 2014.

Conditions under when directors may contract with Company	**110.**	Subject to the provisions of Section 184, 188 and 192 of the Act and the Rules made thereunder neither shall a Director be disqualified from contracting with the Company whether as vendor, purchaser or otherwise for goods, materials or services or for underwriting the subscription of any Shares in or debentures of the Company nor shall any such contract or agreement entered into by or on behalf of the Company with the relative of such Director, or a firm in which such Director or relative is a partner or with any other partner in such firm or with a private company of which such Director is a Member or Director, be void 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 any such contract or arrangement by reason of such Director holding office or of the fiduciary.
Rotation and retirement of Directors	**111.**	At each Annual General Meeting of the Company one third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or multiple of three, then the number nearest to one-third shall retire from office. Neither a nominated Director nor an additional Director appointed by the Board under Article 98 hereof or an Independent Director shall be liable to retire by rotation within the meaning of this Article. But they except Independent Directors shall be counted in determining the number of retiring directors.
Which Directors to retire	**112.**	a) The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day those to retire shall, in default of and subject to any agreement among themselves, be determined by lot drawn at a meeting of the Board of Directors.
Appointment of Directors to be voted on individually		b) Save as permitted by Section 162 of the Act, every resolution of a General Meeting for the appointment of a Director shall relate to one named individual only.
Power to remove Directors by ordinary resolution on special notice	**113.**	The Company may remove any Director other than directors nominated pursuant to Articles 96 and 97 before the expiration of his period of office in accordance with the provisions of Section 169 of the Act and may subject to the provisions of Section 161 of the Act appoint another person in his stead if the Director so removed was appointed by the Company in general meeting or by the Board under Article 109.
Board may fill up casual vacancies	**114.**	If any Director appointed by the Company in General Meeting vacates office as a Director before his term of office expires in the normal course, the resulting casual vacancy may be filled up by the Board at a meeting of the Board, but any person so appointed shall retain his office so long only as the vacating Director would have retained the same of no vacancy has occurred. Provided that the Board may not fill such a vacancy by appointing thereto any person who has been removed from the office of Director under Article 108.
When the Company and candidate for office	**115.**	The eligibility and appointment of a person other than a retiring Director to the office of Director shall be governed by the provisions of Section 160 of the Act.

of Directors must give notice

ALTERNATE DIRECTORS

Power to appoint alternate Directors **116.** The Board may in accordance with and subject to the provisions of Section 161 of the Act, appoint any person to act as alternate Director for a Director during the latter's absence for a period of not less than three months from India. No Person shall be appointed as alternate director to an Independent Director unless he is qualified to be appointed as Independent Director under the provisions of the Act.

PROCEEDINGS OF BOARD OF DIRECTORS

Meetings of Directors **117.** The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit; provided that a meeting of the Board of Directors shall be held as per the provision of the Act, Rules and SEBI LODR Regulations.

Directors may summon Meeting **118.** A Director may, at any time, and the manager or secretary shall, upon the request of a Director made at any time, convene a meeting of the Board and the provisions of Section 173 of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014 shall apply in this regard.

Chairman/Vice Chairman **119.** The Board may appoint a Chairman of its meetings. The Board may also appoint a Vice Chairman to preside over the meeting of the Board in absence of Chairman. If no such Chairman/Vice Chairman is appointed or if at any meeting of the Board, the Chairman/Vice Chairman is not present within five minutes after the time appointed for holding the same, the Directors present shall choose someone of their member to be the Chairman of such meeting.

Quorum **120.** The quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of Section 174 of the Act. If a quorum shall not be present within 15 minutes of the time appointed for holding a meeting of the Board, it shall be adjourned until such date and time as the Chairman of the Board shall appoint. The participation of the Directors can be in person or through video conferencing or other audio visual means as may be prescribed by the Companies (Meetings of Board and its Powers) Rules, 2014 or permitted by law.

Power of Quorum **121.** A meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers, and discretion by or under these Articles or the Act for the time being vested in or exercisable by the Board.

How questions to be decided **122.** Subject to the provisions of sections of 186(5), 203(3) of the Act and save as otherwise expressly provided in this Articles, questions arising at any meetings shall be decided by a majority of votes.

Power to appoint committees and delegate **123.** The Board may, subject to the provisions of the Act, from time to time and at any time, delegate any of its powers to a committee consisting of such Director or Directors as it thinks fit and may, from time to time revoke such delegation. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.

Proceedings of Committee **124.** The meeting and proceedings of such committee consisting of two or more members shall be governed by the regulations made by the Board in that regard in accordance with the provisions, if any, of the Act and SEBI LODR Regulations.

When acts of a Director valid notwithstanding defective appointment **125.** Acts done by a person as a Director shall be valid, notwithstanding that it may afterwards be discovered that his appointment was invalid by reason of any defect or disqualification or had been terminated by virtue of any provisions contained in the Act or in these Articles. Provided that nothing in these Articles shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

Resolutions by circulation **126.** Save in those cases where a resolution is required by Sections 161(4), 179, 182, 184, 186, 188, 203 of the Act, to be passed at a meeting of the Board, a resolution shall be as valid and effectual as if it had been passed at a meeting of the Board or Committee of the Board, as the case may be duly called and constituted if a draft thereof in writing is circulated, together with the necessary papers, if any, to all the Directors or to all the members of the Committee of the Board as the case may be then in India, not being less in number than the quorum fixed for meeting of the Board or Committee, as the case may be and to all other Directors or member of the Committee, at their usual address whether in India and has been approved by such of them as are then in India or by a majority of such of them as are entitled to vote on the resolution. Provided that where not less than one third of the Directors of the Company for the time being require that resolution under circulation be decided by the Board at a meeting, the Chairman shall put the resolution to be decided at a meeting of the Board.

MINUTES

Minutes to be made **127.**

a) The Board shall in accordance with the provision of Section 118 of the Act and the Companies (Management and Administration) Rules, 2014, cause minutes to be kept of every general meeting of the Company and of every meeting of the Board or of every committee of the Board.

b) Any such minutes of any meeting of the Board or of any Committee of the Board or of the Company in General Meeting, if kept in accordance with the provisions of Section 118 of the Act and the Companies (Management and Administration) Rules, 2014, shall be evidence of the matters stated in such minutes. The Minute Books of General Meetings of the Company shall be kept at the Office and shall be open to inspection by Members as per the provisions of the Act or the Rules made thereunder. The minute books of general meeting may also be kept for inspection in electronic mode as prescribed under the Companies (Management and Administration) Rules, 2014.

POWERS OF THE BOARD

General power of Company vested in the Board

128. Subject to the provisions of the Act, the control of the Company shall be vested in the Board who shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorised to exercise and do. Provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other statute or by the Memorandum of the Company or by these Articles or otherwise, to be exercised or done by the Company in a general meeting. Provided further that wherever the Act or any other statute or the Memorandum of the Company or these Articles, provide for exercise of powers by the Board subject to the members approval in a general meeting, the Board shall exercise such powers only with such approval. In exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of the Company or in these Articles, or in any regulations not inconsistent therewith and duly made there under, including regulations not inconsistent therewith and duly made there under, including regulations made by the Company in a general meeting, but no regulation made by the Company in a general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

Specific Powers given to Directors

129. Without prejudice to the general powers conferred by the last preceding Article and to any other powers or authority conferred by these presents on the Directors or on the Managing Director, it is hereby expressly declared that the Directors shall subject to the regulations of these presents and to the provisions of the Act and in addition to the powers of the Board provided under Section 179 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, have the following powers, that is to say, power:

To carry the agreement into effect

(i) To take such steps as they think fit to implement and to carry into effect all agreements.

To pay preliminary expenses

(ii) To pay costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.

To acquire and dispose of property and rights

(iii) 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 subject to the provisions of Section 180 (1) of the Act, to sell, let, lease, exchange, or otherwise dispose of absolutely or conditionally any part of the property, privileges and undertaking of the Company upon such terms and conditions and for such consideration as they may think fit.

To pay for property in debenture etc.

(iv) At their discretion to pay for in debentures etc. property rights, privileges acquired by or services rendered to the Company either wholly or partially in cash or in Shares (subject to Section 62 of the Act), 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 thereon as may be agreed upon; and such bonds, debentures, or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

To secure contracts by Mortgage (v) To secure, the fulfilment of any contracts, agreements or engagement entered into by Company by mortgage or charge of all or any of the property of the Company and its unpaid capital for the time being or in such manner as they may think fit, subject to Section 180 of the Act.

To appoint officers etc. (vi) To appoint and at their discretion remove or suspend such agents, employees, 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 salaries or emoluments whether by way of commission or participation in profits or partly in one way and partly in another and to require security in such instances and to such amount as they think fit.

To appoint trustees (vii) To appoint any Person or Persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purposes, and to execute and do all such deeds, documents and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustee or trustees.

To bring and defend actions etc., (viii) Subject to the provisions of Act, 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 payment or satisfaction of any debts due and of any claims or demands by or against the Company.

To refer to arbitration (ix) To refer any claims as demands by or against the Company to arbitration and observe and perform the awards.

To give receipts (x) To make and give receipts, releases, and other discharges for money payable to the Company and for the claims and demands of the Company.

To act in matters of bankrupts and insolvents (xi) To act on behalf of the Company in all matters relating to bankrupts and insolvents.

To authorize acceptance etc. (xii) To determine who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts, negotiable instruments and documents.

To appoint attorneys (xiii) From time to time to provide for the management of the affairs of the Company either in different parts of India or elsewhere in such manner as they think fit, and in particular to establish branch officers and to appoint any persons to be the attorneys or agents of the Company with such powers (including powers to sub-delegate) and upon such terms as may be thought fit.

To invest moneys (xiv) Subject to the provisions of Sections 67, 179, 180(1), 186 of the Act, to invest and deal with any of the moneys of the Company not immediately required for the purposes thereof upon such securities (not being Shares in this Company) and in such manner as they think fit, and from time to time to vary or realize such investments.

To give security by way of indemnity	(xv)	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 percentage of profits	(xvi)	Subject to the provisions of Section 188 of the Act, to give to any person employed by the Company, as remuneration for their services as such, a commission on the profits of any particular business or transaction or a Share in the profits of the Company such commission or Share or profits shall be treated as part of the working expenses of the Company.
To make bye- laws	(xvii)	From time to time make, vary and repeal bye-laws for the regulation of the business of the Company, its officers and servants.
To make contracts etc.	(xviii)	To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds, things in the name and on behalf of the Company as they may consider expedient or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.
To establish and support charitable objects.	(xix)	Subject to the provisions of Sections 181and 182 of the Act to establish, maintain, support and subscribe to any national, political and charitable institutions or funds of public object, and any institution, society, or club which may be for the benefit of the Company or its employees, or may be connected with any town or place where the Company carries on business; to give pensions, gratuities, or charitable aid to any person or persons who have served the Company or to the wives, children or dependents of such person or persons, that may appear to the Directors just or proper, whether any such person, his widow, children or dependents have or have not a legal claim upon the Company.
To set aside profits for Provident Fund	(xx)	Subject to the provisions of the Act, 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 compensation, or other benefits or to create any provident or benefit or other funds in such or any other manner as the Director may deem fit.
To make and alter rules	(xxi)	To make and alter rules and regulations concerning the time and manner of payment of the contributions of the employees and the Company respectively to any such funds and the accrual, employment, suspension and forfeiture of the benefits of the said funds 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.

To delegate powers to a director or employee

(xxii) Subject to the provisions of the Act, to delegate all or any of the powers hereby conferred upon them to the Managing Director or to any other Director or employees of the Company as they may from time to time think fit, other than a power to issue debentures and to make calls on shareholders in respect of moneys unpaid on their Shares.

MANAGING OR WHOLE – TIME DIRECTOR(S)

Powers to Board to appoint Managing or Whole-time Director(s)

130. Subject to the provisions of the Act, and of these Articles, the Company in general meeting or the Board may from time to time appoint one or more of their body to be Managing Director or Managing Directors (in which expression shall be included Joint or Deputy Managing Director) or Whole-time Director or Whole-time Directors of the Company, for such term not exceeding five years at a time and upon such terms and conditions as they may think fit, from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places. Further the Managing Director as stated in Article 126 can hold the position of the Chairman of the Board for the better governance of the Company.

Holding of position of Managing Director and/or CEO by Chairman

131. Subject to the approval of the Board of Directors of the Company, the Chairman of the Board of Directors of the Company can hold the position of the Managing Director and / or the Chief Executive Officer of the Company at the same time.

Managing Director(s) or Whole-time Director(s) not liable to retirement by rotation

132. Subject to the provisions of the Act, and of these Articles, a Managing Director or a Whole time Director, may subject to the shareholders' approval at the time of appointment or reappointment or otherwise continue to hold office not subject to retirement by rotation under Article 111. However, they shall be counted in determining the number of retiring directors. He shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to the resignation and removal of the other Directors of the Company, and he shall ipso facto and immediately cease to be a Managing Director or a Whole-time Director if he ceases to hold the office of Director for any cause, provided that if at any time the number of Directors (including Managing Director or Whole-time Director) as are not subject to retirement by rotation shall exceed one-third of the total number of Directors for the time being, then such Managing Director or Managing Directors, as the Directors shall from time to time select shall be liable to retirement by rotation in accordance with Article 111 and the Directors not liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being.

Remuneration of Managing Director(s) or Whole-time Director(s)

133. Subject to the provisions of the Act and of these Articles and of any contract between him and the Company, the remuneration of the Managing Director or Whole-time Director shall from time to time be fixed by the Directors, subject to the approvals of the Members of Company and may be by way of fixed monthly payment or commission on profits of the Company or by participation in such profits or by any or all of these modes or any other mode not expressly prohibited by the Act. A Managing Director or Whole-time Director shall in addition to the above remuneration be entitled to the fee for attending meetings of Board or Committee of Directors.

Powers and duties of Managing or Whole-time Director

134. Subject to the provisions of the Act and of these Articles, the Company or the Board may from time to time entrust to and confer upon a Managing Director or Managing Directors or Whole-time Director or Whole-time Directors for the time being, such of the power exercisable under these Articles or otherwise by the Directors as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms, and they may subject to the provisions of the Act and of these Articles confer such powers either collaterally with, or to the exclusion of or in substitution for all, or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

MANAGEMENT

Management of the Company

135. The Board of Directors may in accordance with the provisions of the Act appoint a Chairman/ Chairperson, or Managing Director or Whole-time Director or Manager to manage its affairs. A Director may be appointed as a Secretary, or Manager but Secretary or Manager need not be a Director of the Company. The terms and conditions and the appointment of Whole-time/Managing Directors shall be subject to the provisions of the Act and to the consent of the Members of the Company, wherever required.

136. Subject to the provisions of the Act, the following regulations shall have effect: -

Local Management

a) The Board may, from time to time, provide for the management of the affairs of the Company outside India (or in any specified locality in India) in such manner as it shall think fit and the provisions contained in the four next following paragraphs shall be without prejudice to the general powers conferred by this paragraph.

Local Directorate Delegations

b) The Board, from time to time and at any time, may establish any local directorates or agencies for managing any of the affairs of the Company outside India, or in any specified locality in India, and may appoint any persons to be Members of any such local directorate or any managers or agents and may fix their remuneration and, save as provided in Section 179 of the Act, the Board from time to time and at any time may delegate to any person so appointed any of the powers, authorities and discretions for the time being of any such local directorate or any of them to fill up any vacancies therein and to act notwithstanding vacancies; and may fix any such appointment conditions as the Board may think fit and the Board may at any time remove any person so appointed and may annul or vary any such delegation.

Power of Attorney

c) The Board may, at any time and from time to time, by power of attorney under the Seal appoint any persons to be the attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those which may be delegated by the Board under the Act) and for such period and subject to such conditions as the Board may, from time to time think fit; any such appointments may, if the Board thinks fit be made in favour of the members or any of the members of any local directorate established as aforesaid, or in favour of the Company or of the members, directors, nominees, or officers of any company or firm, or in favour of any fluctuating body of 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 attorneys as the Board thinks fit.

Sub-delegation

d) Any such delegate or attorneys as aforesaid may be authorised by the Board to sub delegate all or any of the powers, authorities and discretions for the time being vested in them.

Foreign Register of Members or debenture Holders

e) The Company may cause to be kept in any State or country outside India, as may be permitted by the Act, a foreign Register of Members or debenture holders resident in any such State or country and the Board may from time to time, make such provisions as it may think fit relating thereto and may comply with the requirement of any local law and shall in any case comply with the provisions of Sections 88 of the Act and the Companies (Management and Administration) Rules, 2014.

KEY MANAGERIAL PERSONNEL

Key Managerial Personnel

137. Subject to Section 203 of the Act, the Board shall appoint a Managing Director, Whole-time Director, Chief Executive Officer, Company Secretary, Chief Financial Officer and other Officers as may be prescribed on such terms and conditions and on such remuneration as may be approved by the Board and may remove a Managing Director, Whole-time Director, Chief Executive Officer, Company Secretary, Chief Financial Officer and other Officers as may be prescribed by means of resolution of the Board.

AUTHENTICATION OF DOCUMENTS

Power to authenticate Documents

138. Any Director or the Key Managerial Personnel or any officer appointed by the Board for the purpose shall have power to authenticate any documents and accounts relating to the business of the Company, and to certify copies thereof, extracts thereof or extracts therefrom as true copies or extracts; where any books records, documents or accounts are elsewhere than at the Office, the local manager or other officer of the Company having the custody thereof, shall be deemed to be a person appointed by the Board as aforesaid.

Certified copies of resolution of the Board

139. A document purporting to be a copy of resolution of the Board or an extract from the minutes of a meeting of the Board which is certified as such in accordance with the provisions of the last preceding Article shall be exclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted meeting of the Directors.

THE SEAL

Custody of Seal **140.** The Board shall provide for the safe custody of the Seal and the Seal shall never be used except by the authority previously given by the Board or a committee of the Board authorized by the Board in that behalf and, save as provided in Article 14 (i) thereof, any one Director and the secretary or such other person as the Board may appoint shall sign every instrument on which the Seal is affixed. Provided nevertheless, that any instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority of the Board to issue the same.

ANNUAL RETURNS

Annual Returns **141.** The Company shall comply with the provisions of Section 92 of the Act as to the making of Annual Returns.

RESERVES

Reserves **142.** The Board may, from time to time before recommending any dividend, set apart any and such portion of the profits of the Company as it thinks fit as reserves to meet contingencies or for the liquidation of any debentures, debts or other liabilities of the Company, for equalization of dividends, for repairing, improvising or maintaining any of the property of the Company and for such other purposes of the Company as the Board in its absolute discretion thinks conducive to the interest of the Company; and may, subject to the provisions of the Act invest the several sums so set aside upon investments (other than Shares of the Company) as it may think fit, and from time to time deal with and vary such investment and dispose of all or any part thereof for the benefit of the Company and may divide the reserve into such special funds as the Board thinks fit, with power to employ the reserve or any parts thereof in the business of the Company, and that without being bound to keep the same separate from other aspects.

Investment of Money **143.** All money carried to the reserves shall nevertheless remain and be profits of the Company subject to due provisions being made for actual loss or depreciation for the payment of dividends and such moneys and all the other moneys of the Company not immediately required for the purposes of the Company may, subject to the provisions of the Act, be invested by the Board in or upon such investments or securities as it may select or may be used as working capital or may be kept at any Bank on deposit or otherwise as the Board may, from time to time think proper.

Carry forward of profits **144.** The Board may also carry forward any profits which it may consider necessary not to divide without setting them aside as a reserve.

CAPITALISATION OF RESERVES

Capitalisation of reserves **145.** Any general meeting may resolve that any moneys, investments, or other assets forming part of the undivided profits of the Company standing to the credit of the reserves, or any capital redemption reserve accounts, or in the hands of the Company and available for dividend or representing premiums received on the issue of Shares and standing to the credit of the securities premium account be entitled and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund be applied on behalf of such shareholders in paying up in full of any unissued Shares, of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued Shares, or towards both and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum. Provided that any sum standing to the credit of a securities premium account or a capital redemption reserve account may, for the purpose of this Article only be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus Shares.

Surplus money **146.** A general meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company or any investments representing the same, or any other undistributed profits of the Company not subject to charge for income tax, be distributed among the Members.

Fractional certificates **147.** For the purpose of giving effect to any resolution under the two last preceding Articles hereof the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates, and may determine that cash payments shall be made to any Members upon the footing of the value so fixed for such fractional certificate in order to adjust the rights of all parties and may vest such cash or for such fractional certificates in trustees upon such trusts for the persons entitled to the dividends or capitalised funds as may seem expedient to the Board. Where requisite, a proper contract shall be filled in accordance with Section 39 of the Act, and the Board may appoint any person to sign such contract on behalf of the person entitled to the dividends or capitalised fund, and such appointment shall be effective.

DIVIDENDS

Declaration of Dividends **148.** The Company in a general meeting may declare dividends to be paid to the Members according to their rights and interest in the profits and may, subject to the provisions of Section 123 of the Act, fix the time for payment. No larger dividend shall be declared than is recommended by the Board, but, the Company in general meeting may declare a smaller dividend.

Dividends to be paid out of profits **149.** No dividend shall be paid otherwise than out of the profits of the year or any other undistributed profits except as provided by Section 123 of the Act. No dividend shall carry interest against the Company.

Dividends to be pro-rata on the paid up amount **150.** Subject to the special rights of the holders of preference Shares, if any, for the time being, the profits of the Company distributed as dividends or bonus shall be distributed among the Members in proportion to the amounts paid or credited as paid on the Shares held by them respectively, but no amount paid on a Share in advance of calls shall while carrying interest be treated for the purpose of this Article as paid on the Share. All dividends shall be apportioned and paid pro-rata according to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividends is paid, but if any Share is issued on terms providing that it shall rank for dividend as from a particular date such Shares shall rank for dividend accordingly.

What to be seemed net profit

151. The declaration of the Board subject to members' adoption in Annual General Meeting as to the amount of the net profits of the Company shall be conclusive.

Interim Dividends

152. The Board may subject to Section 123 from time to time, pay to the Members such interim dividends as in its judgment the position of the Company justifies.

Debts may be deducted

153. The Board may retain any dividends on which the Company has lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

Dividend and call together

154. Subject to the provisions of Article 15, any general meeting declaring a dividend may make a call on the Members of such amount as the meeting fixes, but so that the call on each Members shall not exceed the dividend payable to him, 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 the Member may be set off against the call.

Dividend in cash

155. No dividend shall be payable except in cash, provided that nothing in the foregoing shall be deemed to prohibit the capitalisation of profits or reserves of the Company for the purpose of issuing fully Paid-up bonus Shares or paying up any amount for the time being unpaid on the Shares held by the Members of the Company.

Dividend Profit

156. A transfer of Shares shall not pass the rights to any dividend declared thereon before the registration of the transfer.

Power to retain dividend until transmission is effected

157. The Directors may retain the dividends payable upon Shares in respect of which any person is under transmission entitled to transfer, until such person shall become a Member in respect of such Shares or shall duly transfer the same.

Payment of Dividend to Member on mandate

158. No dividend shall be paid in respect of any Share except to the registered holder of such Share or to his order or to his bankers, but nothing contained in the Article shall be deemed to require the bankers of a registered shareholder to make a separate application to the Company for the payment of the dividend.

Dividend to joint shareholders

159. Any one of several persons who are registered as the joint holders of any Share may give effectual receipt for all dividends, bonuses and other payments in respect of such Share.

Notice of declaration of Dividend

160. Notice of any dividend, whether interim or otherwise, shall be given to the persons entitled to Share therein in the manner hereinafter provided.

Payment of Dividend

161. All dividends and other dues to Members shall be deemed to be payable at the Office of the Company. Unless otherwise directed any dividend, interest or other moneys payable in cash in respect of a Share may be paid by any Banking channels or cheque or warrant sent through the post 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 the first named in the Register in respect of the joint-holding or to such person and at such address as the holder, or joint- holders, as the case may be, may direct and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent.

Unclaimed dividends **162.** All unclaimed dividend along with interest accrued shall not be forfeited but shall be credited to a special bank account as per Section 124 of the Act, and after a period of seven (7) years transferred to Investor Education and Protection Fund established by the Central Government in terms of Section 125 of the Act.

Forfeiture of dividend **163.** The Company agrees that it will not forfeit unclaimed dividend before the claim becomes barred by law and that such forfeiture, when effected will be annulled in appropriate cases.

BOOKS AND DOCUMENTS

Books of account to be kept **164.** The Board shall cause proper books of account to be kept in accordance with Section 128 of the Act.

Where to be kept **165.** Subject to the provisions of the Act, the books of account shall be kept at the Registered Office or at such other place in India as the Board may decide and when the Board so decides, the Company shall, within seven days of the decision, file with the Registrar of Companies a notice in writing giving the full address of that other place. The books can also be kept in electronic mode as prescribed by the Act and Rules subject to compliance of prescribed guidelines.

Inspection by Director **166.**

a) The books of account shall be open to inspection by any Director during business hours in accordance with the applicable provisions of the Act and the Rules.

b) The Board shall, from time to time, determine whether and to what extent, and at what times and places, and under what conditions or regulations, the books of account and books and documents of the Company, other than those referred to in Articles 122 and 172 or any of them shall be open to the inspection of the Members not being Directors and no Member (not being a Director) shall have any right of inspecting any books of account or books or documents of the Company except as conferred by law or authorised by the Board or by Company in a general meeting.

ACCOUNTS

Balance Sheet and Profit and Loss Account **167.** At every Annual General Meeting, the Board shall lay before the Company the financial statements including Consolidated financial statements in accordance with the provisions of Section 129 of the Act read with the Companies (Accounts) Rules, 2014, and such financial statements including consolidated financial statements shall comply with the requirements of Sections 129, 133 and 134 and of Schedule III to the Act so far as they are applicable to the Company but, save as aforesaid the Board shall not be bound to disclose greater details of the result or extent of the trading and transactions of the Company than it may deem expedient.

Board's Report **168.** There shall be attached to every Balance Sheet laid before the Company in the Annual General Meeting a report by the Board complying with Section 134 of the Act.

Copies to be sent to Members and others **169.** A copy of every financial statements including consolidated financial statements, Auditors report and every document required by law to be annexed or attached to the balance sheet shall, as provided by Section 136 of the Act, not less than twenty-one days before the annual general meeting be sent to every such Member, debenture-holder, trustee and other person to whom the same is required to be sent by the said Section either electronically or through such other mode as may be prescribed by the Rules.

Copies of balance Sheet etc. to be filed with the Registrar **170.** The Company shall comply with Section 137 of the Act as to filing copies of the financial statement including consolidated financial statement and documents required to be annexed or attached thereto with the Registrar of Companies.

AUDITORS

Accounts to be audited Annually **171.** Subject to the provisions of the Act, once at least in every year the books of account of the Company shall be audited by one or more auditor or auditors.

Appointment, remuneration, rights and duties of Auditors **172.** The appointment, powers, rights, remuneration and duties of the auditors shall be regulated by Sections 139 to 146 and Section 148 of the Act.

SERVICE OF NOTICES AND DOCUMENTS

How notice to be served on Members **173.** A notice or other documents may be given by the Company to its Members in accordance with Sections 20, 101 and 136 of the Act and Rules made there-under.

Notice valid though Member deceased **174.** Subject to the provisions of Article 170 any notice or document delivered or sent by post to or left at the Registered Address of any Members in pursuance of these Articles shall, notwithstanding such Members be deceased and whether or not the Company have notice of his death, 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 persons be registered in his stead as the holder or joint-holders thereof and such service shall for all purposes of those presents be deemed to be a sufficient service of such notice or document on his heirs, executors or administrators and all persons, if any, jointly interested with him in any such Share.

Service of process in winding-up **175.** Subject to the provisions of the Act, in the event of a winding-up of the Company, every Member of the Company who is not for the time being in the place where the Office of the Company is situated shall be bound, within eight weeks after the passing of an effective resolution to wind up the Company voluntarily or the making of an order for the winding up of the Company, to serve notice in writing on the Company appointing some person residing in the neighbourhood of the Office upon whom all summons, notices, process, orders and judgments in relation to or under the winding-up of the Company may be served, and in default of such nomination, the liquidator of the Company shall be at liberty, on behalf of such Member, to appoint some such person and serve upon any appointee whether appointed by the Member or the liquidator shall be deemed to be good personal service on such Member for all purposes, and where the liquidator makes any such appointment, he shall, with all convenient speed, give notice thereof to such Member by advertisement in some daily newspaper circulating in the neighbourhood of the office or by a registered letter sent by post and addressed to such Member at his address as registered in the Register and such notice shall be deemed to be served on the day on which the advertisement appears or the letter would be delivered in the ordinary course of the post. The provisions of this Article do not prejudice the right of the Liquidator of the Company to serve any notice or other document in any other manner prescribed by these Articles.

KEEPING OF REGISTERS AND INSPECTION

Registers, etc. to be maintained by Company

176. The Company shall duly keep and maintain at the office, Registers, in accordance with Sections 85, 88, 170, 187 and 189 of the Act and Rules made thereunder in electronic form or in such form and in such manner as may be prescribed under the Act or the Rules.

Supply of copies of Registers

177. The Company shall comply with the provisions of Sections 85, 94, 117, 171, 186 and 189 of the Act and the Rules as to the supplying of copies of the registers, deeds, documents, instruments, returns, certificates, and books herein mentioned to the persons herein specified when so required by such persons on payment, where required, of such fees as may be fixed by the Board but not exceeding charges as prescribed by the said Sections of the Act and Rules framed thereunder.

Inspection of Registers etc.

178. Where under any provision of the Act or Rules any person whether a Member of the Company or not, is entitled to inspect any register, return, certificate, deed, instrument or document (including electronic records) required to be kept or maintained by the Company, the person so entitled to inspection shall be permitted to inspect the same during such business hours and place as may be determined by the Board under the provisions of the Act and the Rules there-under.

When Registers of Members and Debenture holders may be closed

179. The Company, after giving not less than seven days previous notice, subject to the provisions of Section 91 of the Act and Rules made thereunder, by advertisement in one vernacular newspapers circulating in the district in which the office is situated close the Register of Members or the register of debenture holders or the register of security holders, as the case may be, for any period or period not exceeding in the aggregate forty-five days in each year but not exceeding thirty days at any one time.

RECONSTRUCTION

Reconstruction

180. On any sale of the undertaking of the Company, the Board or the liquidator on a winding-up may, if authorized by a special resolution, accept fully paid or partly paid up Shares, debentures, or securities of any other company whether incorporated in India or not, other than existing or to be formed for the purchase in whole or in part of the Company's property and the Board (if the profits of the Company permit) or the liquidators (in a winding-up) may distribute such Shares or securities, or any other property of the Company amongst the Members without realization or vet the same in trustees for them, and the special resolution may provide for the distribution or appropriation of the cash, Shares or other securities benefit or property, otherwise than in accordance with the strict legal rights of the members of contributories of the Company, and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all holders of Shares shall be bound by any valuation or distribution so authorised, and waive all rights in relation thereto, save only in case the Company is proposed to be or is in course of being wound up, such statutory right (if any) under the Act as are incapable of being varied or excluded by these Articles.

SECRECY

Secrecy **181.** Every Director, manager, secretary, Trustee for the Company, its Member or debenture holder, members of a Committee, officer, servant, agent, accountant, other person employed in or about the business of the Company shall, if so required by the Board or by a Managing Director before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals 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 his duties except when required so to do by the Board or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these Articles contained.

No shareholder to enter the premises of the Company without permission **182.** No shareholder, or other person (not being a Director) shall be entitled to enter upon the property of the Company or to inspect or examine the premises or properties of the Company without the permission of the Board or subject to Article 161 to require discovery of or any information respecting any details of the trading of the Company or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to communicate.

WINDING UP

Distribution of assets **183.** Subject to the provisions of the Act, if the Company shall be wound up and the assets available for distribution among Members as such shall not be sufficient to repay the whole of the Paid-up capital such assets shall be distributed so that as nearly as may be and the losses shall be borne by the Members in proportion to the capital paid up at the commencement of the winding up, on the Shares held by them respectively. And if in a winding-up assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding-up, the excess shall be distributed amongst the Members in proportion to the capital at the commencement of the winding-up Paid-up or which ought to have been paid up on the Shares held by them respectively. But this Article is to be without prejudice to the rights the holders of Shares issued upon special terms and conditions. Preference shareholders shall have prior rights to repayment of capital and dividends due.

Distribution of assets in Specie **184.** Subject to the provisions of the Act, 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, any 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 benefits of the contributories, or any of them, as the liquidators with the like sanction, shall think fit.

INDEMNITY

Indemnity to Directors and Officers **185.** Subject to the provisions of the, Act every Director, Managing Director, whole-time Director, manager, secretary or officer of the Company or any person (whether an officer of the Company or not) employed by the Company shall be indemnified out of the funds of the Company against all *bonafide* liabilities incurred by him and to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses as such Director, Managing Director, whole-time Director manager, secretary officer, or employee in defending any proceedings, whether civil or criminal in which judgment is given in his favour, or in which he is acquitted or in connection with any application under the Section 463 of the Act in which relief is granted to him by the Court.

Insurance Policy for indemnity **186.** Subject to the provisions of the Act and the Rules, the Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors, Key Managerial Personnel and Officers for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but they have acted honestly and reasonably.

GENERAL POWERS

General powers under the Article **187.** Where any provisions of the said Act, provides that the Company shall do such act, deed, or thing, or shall have a right, privilege or authority to carry out a particular transaction, only if it is so authorised in its Articles, in respect of all such acts, deeds, things, rights, privileges and authority, this Article hereby authorises the Company to carry out the same, without the need for any specific or explicit Article in that behalf.

Part B

INCORPORATED

UNDER THE COMPANIES ACT, 1956

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

SENCO GOLD LIMITED

PRELIMINARY

1. Regulations in Table F of Schedule I of Companies Act 2013 shall apply to this Company except in so far as they are not inconsistent with any of the provisions contained in these regulations and except in so far as they are hereinafter expressly or impliedly excluded or modified.

DEFINITIONS

2. In these Articles:

(i) "**Act**" means the Companies Act, 2013 as amended from time to time read with the provisions of the Companies Act, 1956, to the extent applicable;

(ii) "**Affiliate**" means and includes, (i) in the case of any Shareholder other than a natural person, any other Person that, either directly or indirectly through one or more intermediate Persons, Controls, is Controlled by or is under common Control with such Shareholder; (ii) in the case of any Shareholder that is a natural Person, any other Person who is a Relative of such Shareholder and any Person (other than a natural person) that is Controlled by such Shareholder. For the purposes of this definition, term "Relative" shall have the meaning ascribed to them under sub section (77) of Section 2 of the Act for the time being in force;

(iii) "**Agreed Form**" means a document in a form agreed between the Parties to such document and initialed for the purpose of identification by or on behalf of each of them (in each case with such amendments as may be agreed by or on behalf of such Parties);

(iv) "**Applicable Law**" means any statute, law, regulation, ordinance, rule, judgment, notification, rule of common law, order, decree, bye-law, government approval, directive, guideline, requirement or other governmental restriction, or any similar form of decision of, or determination by, or any interpretation, policy or administration, having the force of law of any of the foregoing, by any Government having jurisdiction over the matter in question, whether in effect as of the date of these Articles or thereafter;

(v) "**Articles of Association**" means the articles of association of the Company;

(vi) "**Acceptance Period**" shall have the meaning ascribed to the term in Article38of these Articles;

(vii) "**Agreement**" means the Shareholders Agreement dated 26 September2014 and all modifications, together with all Annexures, Annexure and Exhibits hereto;"

(viii) "**Assets**" means all the property and assets (movable, real, immovable, tangible, or intangible) whether or not used in connection with the business of the concerned Person; the Assets of the Company;

(ix) "**Alternate Director**" shall have the meaning ascribed to the term in Article 85 of these Articles;

(x) "**Board**" means the Board of Directors of the Company;

(xi) "**Board Meeting**" shall have the meaning ascribed to the term in Article 87of these Articles;

(xii) "**Buyback**" shall have the meaning ascribed to the term in Article 67 of these Articles;

(xiii) "**Business**"means:

(a) the business of manufacturing, exporting, doing job works, marketing and other related activities of various kinds of jewellery items (including but not limited to gold jewellery items, plain or studded with precious or semi-precious stones); and

(b) exporting, marketing and other related activities of precious and semi-precious stones.

(xiv) "**Business Day**" means a day (excluding Saturdays and Sundays) on which banks generally are open in Kolkata (India) for the transaction of normal banking business;

(xv) "**CCPS**" means compulsorily convertible preference shares of the Company having a face value of INR 10 (Indian Rupees Ten only), each carrying a premium of INR 170.50 (Indian Rupees One Hundred Seventy and Fifty Paise only);

(xvi) "**Chairman**" shall have the meaning ascribed to the term in Article 90 of these Articles;

(xvii) **"Claim"** means any notice, demand, claim, action, assessment taken by any Governmental Authority or a third party whereby any Person: (i) is or may be placed or is sought to be placed under an obligation to make payment; (ii) suffers or is likely to suffer any loss, damage, cost, expense, liability, penalty or prosecution; and/or (iii) is deprived of any relief, allowance, credit or repayment otherwise available;

(xviii) "**Closing Date**" means the Closing Date as set out in Clause 3.1 of the Subscription Agreement;

(xix) "**Competitor**" means any other person who engages in the Business;

(xx) "**Conditions of Sale**" shall have the meaning ascribed to the term in Article 37 of these Articles;

(xxi) "**Control**" means "**Controlled by**" or "**under common Control**" with respect to any Specific Person, shall mean: (a) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person whether through the ownership of voting securities, by agreement or otherwise or the power to elect more than one-half of the directors, partners or other individuals exercising similar authority with respect to such person and (b) the possession, directly or indirectly, of a voting interest of more than 50% (Fifty per cent) and a contractual shareholder or director veto right in management matters;

(xxii) "**Cut-Off Date**" shall have the meaning ascribed to the term in Article 64 of these Articles;

(xxiii) "**Director(s)**" means a duly appointed director of the Company;

(xxiv) **"Drag Along Notice**" shall have the meaning ascribed to the term in Article 70 of these Articles;

(xxv) "**Effective Date**" shall be the date of the Closing of the transaction as contemplated in the Subscription Agreement;

(xxvi) "**Encumbrance**" means any (i) encumbrance including without limitation any security interest, claim, mortgage, pledge, charge, hypothecation, lien, lease, assignment, deed of trust, title retention, deposit by way of security, beneficial ownership (including usufruct and similar entitlements), or any other interest held by a third Person, (ii) any action securing, or conferring any priority of payment (other than statutory payments) in respect of, any obligation of any Person, including without limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law, (iii) power of attorney in relation to the shares, voting trust agreement, interest, option or right of pre-emption, right of first offer, right of first refusal, drag-along right or other transfer restriction in favour of any Person, and/or (iv) any adverse Claim as to title, possession or use; It is hereby clarified that any transfer restrictions which are provided under any Indian statute, regulation, bye-laws, government approvals, directives, guidelines, requirement or other governmental restriction but not arising out of any form of contractual arrangement are not included in the above definition;

(xxvii) "**Equity Shares**" means the issued and fully paid-up equity shares of the Company;

(xxviii) "**Financial Year**"means the 12 (twelve) month period commencing on April 1 of a calendar year and ending on 31 March of the succeeding calendar year;

(xxix) "**Fully Diluted Basis**" means the total of all classes and series of Equity Shares outstanding on a particular date, combined with all options (whether exercised or not), warrants (whether exercised or not), convertible securities of all kinds, any other arrangements relating to the Company's Equity Shares, and the effect of any anti-dilution protection regarding previous financings, all on an "as if converted" basis. For the purpose of this definition, "**as if converted**" basis shall mean as if such instrument, option or security had been converted into the maximum number of Equity Shares of the Company, as the terms of the such instrument, option or security would permit.

(xxx) "**Governmental Authority**" means and includes the President of India, the Government of India, the Governor and the Government of any State in India, any Ministry or Department of the same or any governmental or political subdivision thereof, any legislative, executive or administrative body, municipality or any local or other authority, regulatory authority, court, tribunal or arbitral tribunal, exercising powers conferred by laws in India or any other jurisdiction or country where the Promoters or Company may operate or be effected in, and shall include, without limitation, the SEBI, the Reserve Bank of India and the Foreign Investment Promotion Board;

(xxxi) "**Government Approvals**" means any consent, approval, authorization, waiver, permit, grant, franchise, concession, agreement, license, certificate, exemption, order, registration, declaration, filing, report or notice, of, with or to, as the case may be, any Governmental Authority;

(xxxii) "**IPO**" shall have the meaning ascribed to the term in Article 64 of these Articles;

(xxxiii) "**Memorandum of Association**" means the memorandum of association of the Company;

(xxxiv) "**Material Breach**" shall have the meaning ascribed to the term in the Agreement;

(xxxv) "**Offered Shares**" shall have the meaning ascribed to the term in Article 37 of these Articles;

(xxxvi) "**Original Director**" shall have the meaning ascribed to the term in Article 85 of these Articles;

(xxxvii) "**Person**" means any natural person, limited or unlimited liability company, corporation, partnership (whether limited or unlimited), proprietorship, Hindu undivided family, trust, union, association, government or any agency or political subdivision thereof or any other entity that may be treated as a person under Applicable Law;

(xxxviii) **"Promoter Shares"**means the Equity Shares held at Closing (or which may be held at a later date) by the Promoters;

(xxxix) "**Reserved Items**" means the list of matters set out in Article 96;

(xl) "**Rupees**" or "**Rs**" or "**INR**" means the Indian Rupees, the lawful currency of the Republic of India;

(xli) "**Relative**" shall have the same meaning as is defined under the Act;

(xlii) "**Related Shareholder**" shall have the meaning ascribed to them under sub section (76) of Section 2 of the Act;

(xliii) "**Related Shareholder Transaction**" means any transaction or a series of transactions, agreements, commitments or arrangements with a Related Shareholder entered into, varied and subsisting;

(xliv) "**Share Capital**" means the total issued, subscribed and paid up Equity Share capital of the Company, including convertible debentures and all equity linked instruments including convertible preference shares, determined on a Fully Diluted Basis;

(xlv) "**Shareholders**" shall mean the shareholders of the Company;

(xlvi) "**Securities**" shall mean Equity Shares, CCPS, compulsorily convertible debentures, options, warrants, any security generated out of conversion of loan, shares or other securities of the Company that are directly or indirectly convertible into, or exercisable or exchangeable as Equity Shares;

(xlvii) "**Sale Securities**" shall have the meaning ascribed to the term in Article 49 of these Articles;

(xlviii) **“Securities”** shall mean with respect to the Company, Equity Shares, CCPS, compulsorily convertible debentures, options, warrants, any security generated out of conversion of loan, shares or other securities of the Company that are directly or indirectly convertible into, or exercisable or exchangeable as Equity Shares;

(xlix) **“Subscription Agreement”** means the Subscription Agreement dated 26 September 2014 entered into between the Shareholders pursuant to which the Investor shall be subscribing to the CCPS;

(l) “**Tag Acceptance Notice**” shall have the meaning ascribed to the term in Article 51of these Articles;

(li) “**Tag-Along Consideration**” shall have the meaning ascribed to the term in Article 49 of these Articles;

(lii) “**Tag-Along Notice**” shall have the meaning ascribed to the term in Article 49 of these Articles;

(liii) “**Tag-Along Right**” shall have the meaning ascribed to the term in Article 50 of these Articles;

(liv) “**Tag-Along Securities**” shall have the meaning ascribed to the term in Article 51 of these Articles;

(lv) “**Tax**” or “**Taxation**” means all forms of taxation, duties, levies, imposts and, including without limitation corporate income tax, wage withholding tax, fringe benefit tax, value added tax, service tax, customs and excise duties, and other legal transaction taxes, dividend withholding tax, real estate taxes, other municipal taxes and duties, environmental taxes and duties and any other type of taxes or duties in any relevant jurisdiction, together with any interest, penalties, surcharges or fines relating thereto, due, payable, levied or imposed upon in any relevant jurisdiction or country;

(lvi) “**Transaction Documents**” means these Articles, the Agreement that will be executed in and around the date of execution of these Articles and any other incidental or ancillary agreements that may be required to be executed for the consummation of the transaction contemplated herein;

(lvii) “**Transfer**” means (in either the noun or the verb form including, with respect to the verb form, all conjugations thereof within their co-relative meanings) the sale, assignment, transfer, Encumbrance, or other disposition (whether for or without consideration, whether directly or indirectly, and whether voluntary, involuntary or by operation of law);

(lviii) “**Transferee**” shall have the meaning ascribed to the term in Article 37 of these Articles;

(lix) “**Transfer Notice**” shall have the meaning ascribed to the term in Article 37 of these Articles.

3. The Company is a public limited company within the meaning of Section 2 (71) of the Act.

SHARE CAPITAL

4. The Authorised Share Capital shall be as mentioned in the Clause V of the Memorandum of Association of the Company.

5. Subject to the provisions of Section 68 to 70 and any other applicable provisions of the Act and these Articles, the Company shall be entitled to purchase or buy back its own Securities.

6. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the Control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

7. Save and except as otherwise provided in the Act and these Articles, the Board shall have power to issue Securities.

8. No person shall be recognized by the Company as holding any share upon trust and the Company shall not be bound or be compelled to recognize any equitable, contingent, future or partial interest in any shares or any interest in any fractional part of share, or (except only as by these regulations or by law

otherwise expressly provided) any other right in respect of any share except an absolute right to the entirely thereof in the registered holder.

9. Every person whose name in entered as a member in the register of members shall, without payment, be entitled to a receive after allotment or within one (1) month after the application for the registration of transfer or transmission or within such period as the conditions of issue a certificate under the common seal of the Company specify the share or shares held by him and the amount paid up thereon, provided that in respect of share or shares held by him and amount paid up thereon, provided that in respect of share or shares held jointly by several persons the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of the several joint holders shall be sufficient delivery to all.

10. Subject to the provisions of the Companies (Share Capital and Debenture) Rules, 2014 or any statutory modification or re-enactment thereof, the certificate of title of shares and duplicate thereof when necessary shall be issued under the seal of the Company which shall be affixed in the presence of and signed by:

    (a) Two Directors of the Company duly authorised by the Board for the purpose or the committee of the Board, if authorised by the Board; and

    (b) The Secretary or some other person appointed by the directors for the purpose.

11. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

12. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of Rs 20 (Rupees Twenty only) for each certificate.

13. The provisions of Articles (*9*)*(10), (11)* and (*12*) shall *mutatis mutandis* apply to debentures of the Company.

14. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the company shall not be bound by, or be compelled in anyway to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

15. The Company may exercise the powers of paying commissions conferred by sub-section (*6*) of Section 40 of the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.The rate or amount of the commission shall not exceed the rate or amount prescribe din rules made under sub-section (6) of Section 40 of the Act.The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

16. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may subject to the provisions of Section 48 of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of (3/4) (three-fourths) of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

17. To every such separate meeting, the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be atleast two (2) persons holding at least one-third ($1/3^{rd}$)of the issued shares of the class in question.

18. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *paripassu* therewith.

19. Subject to the provisions of Section 55 of the Act, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution,determine.

LIEN

20. The Company shall have a first and paramount lien on all shares (whether fully paid or not) registered in the name of any member, either alone or jointly with any other person and upon the proceeds of sale thereof, for his debts, liabilities and engagements, whether solely or jointly with any other person to or with the Company, whether the period for the payment, fulfillment or discharge thereof shall have dividends from time to time declared in respect of such shares. But the Directors may at any time, subject to the provisions of these Articles, declare any shares to be exempt wholly or partially from the provisions of this Article.

21. The Company may sell, in such manner as the Directors think, any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, not until the expiration of fourteen days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable has been given to the registered holder for the time being of share, or the person entitled by reason of death or insolvency.

CALLS ON SHARES

22. The Board may, from time to time by resolution passed at a meeting of the Board and not by a circular resolution, make such calls as they think fit, upon the members in respect of all moneys unpaid on the shares held by them respectively (whether on account of nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times and each member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board. A call may be made payable by installments, and may be revoked or postponed at the discretion of the Board.

INFORMATION RIGHTS OF THE SHAREHOLDERS

23. This Clause shall be governed by Clause 10 of the Agreement.

TRANSFER OF SHARES

24. The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

25. The Board may, subject to the right of appeal conferred by Section 58 of the Act decline to register:

    (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

    (b) any transfer of shares on which the Company has a lien.

26. The Board may decline to recognise any instrument of transfer unless:

    (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (*1*) of Section 56 of the Act;

    (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of shares.

27. On giving not less than 7 (seven) days' previous notice in accordance with Section 91and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine. Provided that such registration shall not be suspended for more than 30 (thirty) days at any one time or for more than 45 (forty five) days in the aggregate in any year.

TRANSMISSION OF SHARES

28. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a soleholder, shall be the only persons recognised by the company as having any title to his interest in the shares.Nothing in Article shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

29. Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either:

(a) to be registered himself as holder of the share; or

(b) to make such transfer of the share as the deceased or insolvent member coul dhave made.

30. 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.

31. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

32. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company. Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

RESTRICTIONS ON TRANSFERS

33. Notwithstanding anything contained in these Articles except to the extent provided in Articles 44 to 48 of these Articles, it is hereby agreed that the Investor shall have an unfettered right to sell a part of or all the Investor's Securities along with its rights to any Person any time after the Closing Date.

34. The Promoters and Other Shareholders agree they shall not Transfer any Promoter Shares to any Person other than in accordance with the provisions of these Articles. Any Transfer of Promoter Shares which is contrary to this Article,shall be null and void *ab initio,* and the Company shall not register such Transfer and shall reject any such Transfer made or attempted, *suo moto* without necessity of a Board decision or order of any Governmental Authority. It is hereby clarified that inter se transfer of Promoter Shares amongst the Promoters is allowed with 30 (thirty) days prior written intimation to the Investor and the Investor's Right of First Refusal under Articles 37 to 43below shall not be applicable in such an event.

35. As long as the Investor is a Shareholder in the Company, the Promoters, Other Shareholders and / or their Affiliates shall not Transfer any Security amounting to more than 5% (five per cent) of the total

Share Capital of the Company as on the date of signing of these Articles, other than with the prior written approval of the Investor.

36. Any Transfer of Securities by the Promoters and Other Shareholders shall be subject to the Investor's Right of First Refusal under Articles 37 to 43of these Articles.

36A. **DEMATERIALISATION OF SHARES**

A. Notwithstanding anything contained in these Articles, the Company shall be entitled to dernaterialise/rematerialize its securities and to offer securities in the dematerialised form pursuant to the Depositories Act,.1996.

B. Notwithstanding anything contained in these Articles, where the securities are dealt with in or by a Depository, the Company shall intimate the details of allotment of relevant securities to the Depository immediately on allotment of such securities.

C. 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. All securities held by depository shall be dematerialised and shall be in fungible form. No certificates shall be issued for the securities held by the Depository. Nothing contained in Section 89 and Section 186 of the Companies Act, 2013 shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

E. Nothing contained in Section 56 of the Companies Act, 2013 or these Articles shall apply to a transfer of securities effected by the Transferor and Transferee, both of whom are entered as beneficial owners in the records of the depository.

F. Subject to the provisions of Section 72 of the Companies Act, 2013 every shareholder or debenture holder of the Company, may at any time, nominate in the prescribed manner a person to whom his/her share in, or debentures of the Company shall vets in the event of his/her death.

G. Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint, in the prescribed manner, any person to become entitled to share in or debentures of the Company, in the event of his/her death, during the minority shall vest in the event of the death of all the joint holders.

H. 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.

I. Notwithstanding anything contained in these Articles, every person holding securities of the Company and whose name is entered as the beneficial owners in the records of the Depository shall be deemed to be the member of the Company. The beneficial owners of the securities shall be entitled to all rights and benefits and b subject to all liabilities in respect of their securities which are held by the Depository.

INVESTOR'S RIGHT OF FIRST REFUSAL

37. Offer: If any of the Promoters and/or Other Shareholders and/or their Affiliates wish to Transfer any or all of the Securities held by them to any Person ("**Transferee**"), such Promoter and/or such Affiliate (the "**Offeror**"), shall first offer such Securities ("**Offered Shares**") to the Investor by a written notice ("**Transfer Notice**"). Copy of the Transfer Notice shall also be sent to the other Promoter(s). The Transfer Notice shall include the name of the proposed Transferee, number of Securities, the proposed sale price per Security, payment mechanism and other conditions of sale, the proposed date of consummation of the proposed sale, ("**Conditions of Sale**").

38. Within a period of 30 (thirty) Business Days from the date of receipt of the Transfer Notice by the Investor (the "**Acceptance Period**"), the Investor shall have the option to accept the offer with regard to all or some of the Offered Shares by giving written notice to the Offeror (the "**Acceptance Notice**") or communicate its refusal to do so. If the Investor accepts the offer, such purchase and sale shall be

completed within a period of 30 (thirty) Business Days of the date of receipt by the Offeror of the Acceptance Notice. Provided, where such purchase and sale is not consummated due to non-receipt of any Governmental Approvals, the aforesaid period shall stand extended till 60 (sixty) Business Days after the expiry of the Acceptance Period.

39. Refusal: If the Investor does not issue an Acceptance Notice or communicates its refusal to purchase the Offered Shares or on the expiry of 30 (thirty) Business Days or 60 (sixty) Business Days of the Acceptance Period, as the case may be, as stated in Article38above, the Offeror shall thereafter be free to dispose of all but not part of the Offered Shares to the Transferee on terms no less favourable than the Conditions of Sale within a period of 30 (thirty) Business Days from the expiry of the Acceptance Period, provided, where such purchase and sale is not consummated due to non-receipt of any consents or approvals, the aforesaid period shall stand extended for another 30 (thirty) Business Days. If the Transfer to the Transferee is not completed within such period, the provisions of the Articles 37 to 43shall apply afresh to any future Transfer of the Equity or Preference Shares to the Transferee or any other Person, at any revised terms or otherwise.

40. Notwithstanding anything contained herein, the Promoters and/or Other Shareholders shall not be permitted to Transfer any of their Securities to a Competitor under any circumstances unless specifically waived in writing by the Investor.

41. No Transfer shall be made pursuant to this Article unless the Transferee executes a Deed of Adherence and unless the Transferee complies in all respects with the other applicable provisions of these Articles and Law.

42. It is hereby clarified, the provisions contained in the Articles 37 to 43shall not apply to any stock option scheme to be introduced for the employees of the Company.

43. It is hereby clarified that the Investor's Right of First Refusal under the Articles 37 to 43shall not be applicable in the event the Promoters encumber or pledge their Securities in favour of a bank or a financial institution in the ordinary course of business.

PROMOTER'S RIGHT OF FIRST REFUSAL

44. If the Investor and/or their Affiliates wish to Transfer any or all of the Securities held by them to any Person ("**Transferee**"), the Investor and/or such Affiliate and/or such shareholder/shareholders (the "**Offeror**"), shall first offer such Securities ("**Offered Shares**") to the Promoters by a written notice ("**Transfer Notice**"). The Transfer Notice shall include the name of the proposed Transferee, number of Securities, the proposed sale price per Security, payment mechanism and other conditions of sale, the proposed date of consummation of the proposed sale, a written confirmation that the proposed Transferee has been informed of the rights of first refusal under this Article, and a written confirmation that no consideration, tangible or intangible, is being provided to the Offeror that will not be reflected in the proposed sale price ("**Conditions of Sale**").

45. Within a period of 30 (thirty) Business Days from the date of receipt of the Transfer Notice by the Promoters (the "**Acceptance Period**"), the Promoters shall have the option to accept the offer with regard to all or some of the Offered Shares by giving written notice to the Offeror (the "**Acceptance Notice**") or communicate its refusal to do so. If the Promoters accept the offer, such purchase and sale shall be completed within a period of 30 (thirty) Business Days of the date of receipt by the Offeror of the Acceptance Notice. Provided, where such purchase and sale is not consummated due to non-receipt of any Governmental Approvals, the aforesaid period shall stand extended till 60 (sixty) Business Days after the expiry of the Acceptance Period. In the event the transaction does not get consummated because of a commission or omission on the part of the Promoters, the same shall be considered to be a Material Breach under these Articles and the consequences of a Material Breach as stated in these Articles shall apply to all such cases.

46. If the Promoters do not issue an Acceptance Notice or communicates its refusal to purchase the Offered Shares or on the expiry of 30 (thirty) Business Days or 60 (sixty) Business Days of the Acceptance Period, as the case may be, as stated in Article45above, the Offeror shall thereafter be free to dispose of all but not part of the Offered Shares to the Transferee on terms no less favourable than the Conditions of Sale within a period of 30 (thirty) Business Days from the expiry of the Acceptance Period, provided,

where such purchase and sale is not consummated due to non-receipt of any consents or approvals, the aforesaid period shall stand extended for another 30 (thirty) Business Days. If the Transfer to the Transferee is not completed within such period, the provisions of the Articles 44 to 48shall apply afresh to any future Transfer of the Equity or Preference Shares to the Transferee or any other Person, at any revised terms or otherwise.

47. No Transfer shall be made pursuant to this Article unless the Transferee executes a Deed of Adherence and unless the Transferee complies in all respects with the other applicable provisions of these Articles and Law.

48. The right of the Promoters under the Articles 44 to 48shall lapse in the event none of the following: an IPO, third Shareholder sale and buy back, has occurred on or before the expiry of 7 (seven) years from the Closing Date, in terms of these Articles.

INVESTOR'S TAG ALONG RIGHT

49. Without any prejudice to the Transfer restrictions in the Articles above, if the Promoters and/or Other Shareholders and/or their Affiliates wish to make a Transfer of any of the Securities held by them, amounting to more than 5% (five per cent) of the total Share Capital of the Company, or all of the Securities held by them, the Promoters and/or Other Shareholders and/or their Affiliates shall send a written notice ("**Tag-Along Notice**") to the Investor, which notice shall state: (i) the name and address and identity of the proposed Transferee, (ii) the maximum number of Equity Shares that it is proposed to be Transferred pursuant to such offer (the "**Sale Securities**"), (iii) the price for the Transfer, (iv) the other terms and conditions of the proposed Transfer, (v) a representation that no consideration, tangible or intangible, is being provided to the Promoters and/or Other Shareholders and/or their Affiliates that is not reflected in the price to be paid to the Investor exercising their Tag-Along Rights hereunder. The total price of the consideration for the proposed Transfer is referred to herein as the "**Tag-Along Consideration**."

50. The Investor shall have the right (the "**Tag-Along Right**") but not the obligation to require the Promoters and/or Other Shareholders and/or their Affiliates to cause the Transferee in a Transfer of Securities to purchase from the Investor, for the same price per Security and on terms and conditions no less favourable than those given to the Promoters and/or Other Shareholders and/or their Affiliates any or all of the Investor's Securities on a pro rata basis, if the Promoters and/or Other Shareholders and/or their Affiliates are transferring the Promoter Shares. In the event the Transfer of the Promoter Shares and/or shares held by Other Shareholders results in the Promoters and/or Other Shareholders losing Control over the Company, the Investor shall have the right but not the obligation to require the Promoters and/or Other Shareholders and/or their Affiliates to cause the Transferee in a Transfer of Equity or Preference Shares to purchase from the Investor, for the same price per Equity or Preference Share and on terms and conditions no less favourable than those given to the Promoters and/or Other Shareholders and/or their Affiliates all of the Investor's Securities.

51. Within 30 (thirty) Business Days following the receipt of the Tag-Along Notice, in the event the Investor elects to exercise its Tag-Along Right, it shall deliver a written notice of such election to the Promoters and Other Shareholders (a "**Tag Acceptance Notice**") and the number of Investor Securities, the Investor propose to Transfer to such Tag Transferee ("**Tag-Along Securities**").

52. The closing of any purchase of Tag-Along Securities by the Transferee from the Investor shall take place simultaneously with the closing of the purchase of Sale Securities by the Transferee from the Promoters and/or the Other Shareholders and/or their Affiliates provided that the Sale Securities cannot be purchased by the Transferee without purchasing the Tag-Along Securities from the Investor. At such closing, the Investor shall deliver duly stamped and executed share transfer forms together with share certificates representing the Tag-Along Securities to the Transferee. The Investor shall not be required to make any representations or warranties to the Transferee for the Tag Along Securities. Any Transferee purchasing the Tag-Along Securities shall, simultaneously, deliver at such closing (a) payment in full of the Tag-Along Consideration in accordance with the terms set forth in the Tag- Along Notice, (b) any requisite transfer taxes (c) shall procure all required regulatory consents required by the Transferee for the Transfer and (d) shall co-operate with the Investor to obtain any other required regulatory consents for the Transfer. At such closing, all of the parties to the transaction shall execute such additional documents as may be necessary or appropriate to effect the sale of the Tag Along Securities to the

Transferee and the Investor hereby agrees to provide basic customary warranties only limited to the ownership of the Tag-Along Securities.

(a) Approvals:The Shareholders shall reasonably co-operate with each other for procuring and maintaining all Governmental Approvals as may be required by each or any of the them for effectuating any Transfer of Investor's Securities or Promoter Shares or shares held by Other Shareholders to any Person (as the case may be) pursuant to this Article.

(b) Deed of Adherence: The obligations owed by each Shareholder to the others under this Article shall apply to any transferee of interest in the Company by such Shareholder or their transferees and it shall be a condition precedent for such transfer, including for any transfer to Affiliates for the transferee to execute the Deed of Adherence as provided in **Annexure 3** of the Agreement.

PRE-EMPTIVE RIGHTS AND ANTI-DILUTION RIGHTS

53. In the event that the Company intends to raise additional funding to fund its operations the Company shall with the prior written consent of the Investor, raise such additional funds ("**Additional Funding**") as may be required by way of issuance of options, warrants or instruments entitling the holder to receive Equity Shares ("**Additional Shares**") from a third Shareholder investor. However, before raising such Additional Funding, the Company shall provide a written notice ("**Additional Funding Notice**") to the Investor which shall include the name of the proposed third Shareholder investor, number of Securities to be issued ("**Additional Shares**"), the proposed issuance price per Security, payment mechanism and other conditions of sale, the proposed date of consummation of the proposed issuance ("**Conditions of Issuance**").

54. Within a period of 45 (forty five) Business Days from the date of receipt of the Additional Funding Noticeby the Investor (the "**Issuance Acceptance Period**"), the Investor shall have the option to accept the offer with regard to all or some of the Additional Shares by giving written notice to the Company (the "**Additional Funding Exercise Notice**") or communicate its refusal to do so. If the Investor accepts the offer, such issuance shall be completed within a period of 30 (thirty) Business Days of the date of receipt of the Additional Funding Exercise Notice. Provided, where such issuance is not consummated due to non-receipt of any Governmental Approvals, the aforesaid period shall stand extended till the time such approval is obtained or it is clear that such approval shall not be possible to obtain.

55. The Investor while exercising its entitlement to subscribe to Additional Shares in accordance above shall have the right to designate any of its Affiliate(s) to exercise its said entitlements or subscribe for the Additional Shares, in place and instead of the Investor provided that the Affiliate agrees and undertakes to be bound to the terms and conditions of these Articles and executes the Deed of Adherence.

56. If the Investor does not issue an Additional Funding Exercise Notice or communicates its refusal to issue the Additional Shares or on the expiry of 30 (thirty) Business Days as stated above, the Company shall thereafter be free to dispose of all but not part of the Offered Securities to the third Shareholder investor on terms no less favourable than the Conditions of Issuance within a period of 30 (thirty) Business Days from the expiry of the Issuance Acceptance Period, provided, where such purchase and sale is not consummated due to non-receipt of any consents or approvals, the aforesaid period shall stand extended for another 30 (thirty) Business Days.

57. In case the Investor issues an Additional Funding Exercise Notice and fails to subscribe the Additional Shares within 60 (sixty) Business Days of the Issuance Acceptance Period, for any reason other than regulatory and non-receipt of Governmental approval, then the Investor shall forego its right of first refusal on any further issuance of Shares by the Company. It is hereby clarified that further issuance of shares shall still remain a Reserved Item

58. Notwithstanding anything contained herein, the Company shall not be permitted to issue of their Securities to a Competitor under any circumstances unless specifically waived in writing by the Investor.

59. No issuance shall be made pursuant to this Article unless the third Shareholder investor executes a Deed of Adherence and unless the third Shareholder investor complies in all respects with the other applicable provisions of these Articles and Law.

60. If the Company offers any Additional Shares after the First Closing Date, at a price (the "**New Issue Price**") less than the Investor Share Price, then the Investors shall be entitled to a full ratchet anti-dilution basis protection (the "**Anti- Dilution Right**"). Provided however that the Anti-Dilution Right shall not be available in the event of issue of Equity Shares to employees, officers or consultants of the Company pursuant to any employee stock option plan approved by the Investor. In such an event the Company and Existing Shareholders shall be bound to cooperate with the Investor and the Investor shall have the right to cause the Company to take all necessary steps to either (i) adjust the Conversion Price such that the adjusted Conversion Price is equal to the price at which the Investor Preference Shares must be converted so the price of the Equity Shares upon conversion is equal to the New Issue Price; or (ii) issue Adjustment Shares, in the event the Investor has already converted the Investor Preference Shares in accordance with the following formula:

Adjustment Shares = ((Equity Shares held by the Investor x Investor Share Price – Dividends Received by Investor)/ New Issue Price) – Equity Shares held by the Investor.

61. The pre-emptive rights and anti-dilution right described in the Articles 53 to 57does not apply to any issuance of Further Securities pursuant to an employee stock option plan approved by the Investor or similar arrangement for the benefit of the Company's employees, where the primary objective is not to raise additional equity capital for the Company.

62. The Investor may assign its rights under the Articles 53 to 61to its Affiliates.

INVESTOR'S RIGHT TO EXIT

63. The Company and the Promoters shall make their best efforts to provide an exit to the Investors by way of an IPO or a third Shareholder sale in the manner and on the terms as provided in this Section.

<u>IPO</u>

64. The Company and the Promoters shall use their best efforts to complete an IPO on or before the expiry of 60 (sixty) months from the Closing Date ("**Cut-Off Date**") by offering its Equity Shares (on a Fully Diluted Basis) on terms set forth below("**IPO**"). The Investor will have the right but not the obligation to offer all or any of the Investor Securities in priority to the Promoters and Other Shareholders, in such an IPO.

General Terms for IPO

(a) The Investor shall not be considered, or named as (whether in the offer documents, or any other document) or deemed to be "promoters" or part of the "promoter group" of the Company including with respect to any IPO.

(b) Equity Shares shall be listed or quoted on BSE Limited or NSE Limited.

(c) (The initial public offering shall be managed by a reputable investment banking firm of recognized high standing in the market in which such Equity Shares are to be offered, which investment banking firm is acceptable to the Investor.

(d) The proportion of primary and secondary shares being sold is satisfactory to the Investor and is based on the advice of a reputable merchant banker appointed for purposes of such IPO.

(e) The initial public offering complies with all Applicable Laws including applicable legal, regulatory and listing requirements.

(f) The Investor will have the right but not the obligation to offer, in an offer for sale all or any of the respective Investor Securities in priority to the Promoters and Other Shareholders, on the same terms and conditions as the primary shares offered to public by the Company, provided the quantum of the secondary component shall be based on advise of a reputable merchant banker appointed for purposes of IPO.

(g) The Shareholders shall take all necessary steps to obtain all relevant approvals, statutory or otherwise, which are necessary for the IPO, and exercise all voting rights in order to facilitate the IPO.

(h) The Promoters and Other Shareholders shall offer all the Shares proposed to be locked-in as per the listing or other regulations prescribed by SEBI, and to the extent permissible under Applicable Law there shall be no lock-in in relation to the Investor Securities. The Promoters and Other Shareholders shall contribute such number of shares as may be advised by the merchant bankers and as required under Applicable Law, and is acceptable to the Investor in such IPO, provided that subject to the approval and other rights of the Investor, a nominal exit (through tendering in IPO) shall also be considered, in consultation with a reputable merchant banker, for the Promoters and Other Shareholders.

(i) The cost of any IPO and the offer for sale will be borne by the Company, provided that in the event Applicable Law does not permit the Company to bear the entire cost, the Shareholders shall bear expenses to be borne by them in proportion to their shareholding offered in an offer for sale.

(j) The pricing for IPO shall be subject to approval of the Investor.

Liquidity Mechanics

65. In the event the Promoters and the Company have not provided the Investor with an exit of all the Securities held by the Investor, under an IPO or otherwise within 60 (Sixty) months from the Closing Date, the Investor will be provided exit option in the following sequence below.

Third Shareholder Sale

66. In the event that the Company fails to consummate an IPO by or before the Cut-Off Date, the Investor shall have the right to Transfer any Investor Securities held by it to any thirdShareholder on terms and conditions determined by the Investor. The Company and the Promotersand Other Shareholders shall be bound to co-operate with the Investor in effecting such Transfer; or

67. At the Investor's request in writing, the Company and/or the Promoters shall, or shall ensure that a Third Shareholder shall, buy back the Investor Securities at a Fair Market Value of the Equity Shares or above such Fair Market Value, subject to Applicable Laws ("Buyback"). This Buyback exit option shall continue until the date the Investor has issued a Drag Along Notice under Article70] but shall terminate immediately upon issuance of Drag Along Notice.

68. Notwithstanding anything stated in these Articles, in the event the Company and / or the Promoters or such Third Shareholder provides for a Valid Exit Option and the Investor declines to exit in writing on or prior to 7 (seven) Business Days from the receipt of the Valid Exit Option, then the Company and/or the Promoters shall be under no further obligation to provide the Investor with an exit under these Articles. A **"Valid Exit Option"** for the purposes of these Articles shall mean an exit offer which shall have no other conditions other than the following: (i) the exit price is equal to or above the Fair Market Value; (ii) the payment to be made to the Investor pursuant to such exit shall be made in cash and the transaction shall be consummated within a maximum period of 90 (ninety) days of the acceptance of the Valid Exit Option by the Investor; and (iii) the Investor's obligation shall be to provide representations only with respect to the title of the Securities and the same being unencumbered and to provide necessary board resolutions for the authorized sale of such Securities. In the event the Company and/or the Promoters do not get a written response from the Investor declining the Valid Exit Option within such period of 7 (seven) Business Days, the Investor shall have deemed to have accepted the Valid Exit Option. It is further clarified that the due receipt of the Valid Exit Option from the Company and / or the Promoters shall be the acknowledgment by the Investor on the actual content of the proposal. Additionally, the Company and/or the Promoters shall send the exit proposal to the Investor by way of email, hand delivery and postal delivery. A Valid Exit Option shall notbe considered delivered unless Investor has acknowledged the contents of the offer or if the offer deviates from the above form. In the event the Investor accepts the Valid Exit Option but the transaction does not eventually consummate, the Investor shall continue to have an exit right under these Articles and the Company and the Promoters shall continue to be under an obligation to provide an exit to the Investor under these Articles.

"**Fair Market Value**" for the purposes of this Article shall have the meaning ascribed to it in Annexure 8 of the Agreement.

DRAG ALONG RIGHT

69. In the event that none of the following: an IPO, third Shareholder sale and buy back, has occurred on or before the expiry of 7 (seven) years from the Closing Date, then the Investor shall have the right (but not the obligation) to require the Promoters and Other Shareholders (or any of them) to sell all or less than all of the Equity Shares held by them to drag along the Promoters and Other Shareholders in a proposed sale of the Investor Securities to any Person, including a Competitor ("**Proposed Buyer**"), on the same terms and conditions agreed between the Investor and the Proposed Buyer in the manner and to the extent set forth in this Article("**Drag Along Right**") if the Proposed Buyer desires to purchase a greater number of shares than those held by the Investor.

70. The Investor may exercise the Drag Along Right by issuing a written notice to the Promoters and/or the Other Shareholders **("Drag Along Notice").**The Promoters and/or the Other Shareholders and the Company shall approve the sale and the Promoters and/or the Other Shareholders shall sell the number of Equity Shares held by them stipulated in the Drag Along Notice **("Dragged Shares")** to the Proposed Buyer to enable the Investor to exercise its Drag Along Right. The Dragged Shares shall be purchased by the Proposed Buyer simultaneously with the purchase of the Investor Securities.

71. The Investor shall ensure that: (i) the offer price for each Dragged Share is payable in cash, simultaneously with the Transfer of the Investor Securities as set out in the Drag Along Notice; (ii) there is parity of all other terms in all material respects, including price, timing of payment and method of payment on the Transfer by the Investor and the Transfer by the Promoters and/or the Other Shareholders; and (iii) Transfer of all the Investor Securities and Transfer of the Dragged Shares takes place simultaneously. The Drag Along Notice shall specify (a) the proposed valuation of the Company and the offer price for each Dragged Share; and (b) the identity and address of the Proposed Buyer; and (c) the proposed the date, time and venue for the conclusion of sale and purchase of the Dragged Shares.

72. If, pursuant to exercise of the Drag Along Right as set out above, the Proposed Buyer is unable to purchase the Dragged Shares (or any part thereof) within the aforesaid prescribed time, on account of any delay in or denial of any approvals required from any Government Authority, the said prescribed time shall be extended, at the option of the Investor, until such time as the necessary approvals are procured. At the sole option of the Investor, the Investor may nominate such other Person as the Proposed Buyer, who already has the required approvals or does not require the same, to purchase the Dragged Shares (or any part thereof) as well as the Investor Securities on the same terms and conditions upon which the Investor is selling the Investor Securities to the Proposed Buyer, subject to the terms fulfilling the conditions of Article73 above.

73. The sale and purchase of the Dragged Shares shall be concluded on a spot delivery basis. On such date and at such time and venue, the Promoters and/or the Other Shareholders shall deliver to the Proposed Buyer(s), the duly executed share transfer forms together with the relevant share certificates for Transfer of the Dragged Shares together with all other documents and deeds that may be required by Applicable Law for the sale of such Dragged Shares and the Proposed Buyer(s) shall simultaneously pay to the Promoters and/or the Other Shareholders the same price as set out in the Drag Along Notice. It is clarified that the Promoters and/or the Other Shareholders shall be required to provide representations and warranties and consequent indemnities that are customary for promoters of a company to provide in any transaction involving an acquisition of such company by a third Shareholder, including without limitation, warranties in relation to title over the Equity Shares held by the Promoters and/or the Other Shareholders.

74. It is hereby clarified that till the period ending 7 (seven) years from the Closing Date, the Investor shall not be permitted to sell the Investor Securities to any Competitor and post 7 (seven) years from the Closing Date, the Investor shall be free to transfer the Investor Securities to any Person. It is further clarified that the restriction of non-transferability of the Investor Securities to a Competitor shall not be applicable in the event the Investor exercises its exit options pursuant to a Material Breach under Clause 15(ii) of the Agreement.

INDEMNIFICATION

75. This shall be governed by Clause 14 of the Agreement.

CORPORATE GOVERNANCE

76. Governance

Subject to the provisions of these Articles and the Act, the Promoters shall be responsible for the day to day management of the Company. The Investor shall be entitled to exercise its rights under this Article in respect of the Company.

77. Authority of the Board

Subject to the provisions of these Articles and the Act, the Board shall be solely responsible for the management, supervision, direction and control of the Company. It is hereby clarified that the Investor Director(s) shall be Non-Executive directors.

78. Board of Directors

The Board shall comprise of 5 (five) Directors. At any point of time, the Investor shall be entitled to nominate such number of Investor Nominee Director(s) on the Board as is proportionate to its shareholding in the Share Capital of the Company on a Fully Diluted Basis, subject to the Investor having the right to nominate at least 1 (one) Director on the Board and all the committees thereof as long as it is a Shareholder of the Company. The number of Investor Nominee Directors shall be rounded up to the next integer in case a fractional number is arrived at from the shareholding percentage.

79. Appointing the Nominees

(a) Each Shareholder shall exercise its votes in relation to all the Securities held by it at any General Meeting called for the purpose of filling the positions on the Board or in any written consent of Shareholders executed for such purpose to elect, and shall take all other actions necessary to ensure the election to the Board of the Investor Nominee Director.

(b) It is hereby clarified that the Investor Director(s) shall be Non-Executive directors. In the event that any notice or proceedings have been filed against any Investor Nominee Director, the Company and the Promoters shall take all bona fide actions for (i)exclusion and deletion of the name of the Investor Nominee Director and (ii) withdrawal of the charges / proceedings against such Investor Nominee Director and (iii) taking all steps to represent and defend such Investor Nominee Director against such proceedings. The Company shall pay all costs, damages, fines, levies etc. that may be levied against such Investor Nominee Director.

(c) The Investor has the right to nominate the Alternate Director to the Investor Nominee Director and in his absence, any other individual, on the Board from time to time as the Investor observer ("**Investor Observer**"). The Investor Observer shall have the right to observe the proceedings and oversee the Board meetings.Such Investor Observer shall be invited as a special invitee in every Board meeting and shall receive all notices, agenda items and other documentation and information as are circulated to all other Directors.

(d) The Investor Observer shall not be considered for quorum, and the Investor Observer shall not be entitled to vote with respect to any resolution proposed to be passed at a Board meeting. The Investor Observer shall adhere to the code of confidentiality with respect to the information gathered in the Board meetings. All the expenses of the Investor Observer shall be borne by the Investor.

80. Committees and Sub-Committees of the Board

The Investor shall have the right but not the obligation to have at least 1 (One) Investor Director nominated on each of the committees and sub- committees of the Board subject to the provisions of the Act and the listing guidelines of the stock exchange (when applicable). It is hereby clarified that each of the committees shall make recommendations to the Board and decisions on all the matters recommended by the committees shall be taken by the Board.

81. Qualification Shares

The Investor Nominee Director shall not be required to hold any qualification Equity Shares in the Company.

82. Removal/Resignation of Directors

The Investor may require the removal of the Investor Nominee Director at any time and shall be entitled to nominate another representative as the Investor Nominee Director in place of the Investor Nominee Director so removed, and the Shareholders shall exercise their rights in such manner so as to cause the appointment such person as a Director as aforesaid on Board. In the event of the resignation or retirement or a vacation of office of the Investor Nominee Director, the Investor shall be entitled to nominate another representative as a Director in place of such a Director and all Shareholders shall exercise their rights in such manner so as to cause the appointment of such Investor's representative nominated as aforesaid.

83. Directors' Access

Each Investor Nominee Director shall be entitled to examine the books, accounts and records of the Company and shall have free access, at all reasonable times and with prior written notice, to any and all properties and facilities of the Company. The Company shall provide such information relating to the business affairs and financial position of the Company as the Investor Nominee Director may require. An Investor Nominee Director nominated may provide such information to the Investor as the Investor may require.

84. Chairman of the Board

The Chairman of the Board ("**Chairman**") shall be selected by Board. The Board shall be headed by the Chairman. The Chairman shall be entitled to chair all meetings of the Board or committees thereof and all General Meetings. In the absence of the Chairman at a Board or General Meeting, one of the Directors appointed by the Board shall act as the Chairman. The Chairman shall not have a casting vote.

85. Alternate Director

The Board shall approve the appointment of an alternate director (an "**Alternate Director**") who is recommended for such appointment by a director (an "**Original Director**") to act for him during his absence for a period of not less than 3 (three) months from the state in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to that state. If the term of office of the Original Director is determined before he so returns to that state, any provisions in the Companies Act for the automatic reappointment of any retiring director, in default of another appointment, shall apply to the Original Director and not to the Alternate Director. The act of an Alternate Director acting for the Original Director will be deemed to be the act of the Original Director.Upon the appointment of the Alternate Director, the Company shall ensure compliance with the provisions of the Companies Act, including by filing necessary forms with the relevant registrar of companies. The Alternate Director shall be entitled to receive notice of a meeting of the Board or committee thereof, along with all relevant papers in connection therewith hereof and to attend and vote thereat in place of the Original Director and generally to perform all functions of the Original Director in his absence.

86. Resolution by Circulation

No resolution shall be deemed to have been duly passed by the Board or a committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any to all directors or to all members of the committee, and to all other directors or members at their usual address, and has been approved by a majority of such of them as are entitled to vote on the resolution. Provided that, in case of a Reserved Item set out in Annexure 4 of the Agreement, the relevant provisions thereof shall apply to all circular resolutions.

87. Board Meetings; Frequency and Location

Save as provided otherwise in the Companies Act and these Articles, the Board shall meet at least once every calendar quarter and there shall be at least 4 (four) meetings of the Board in any calendar year ("**Board Meeting**"). The Board Meeting shall normally be held in Kolkata unless mutually agreed by the Shareholders and the Company.

88. Notice

A meeting may be called by the chairman of the Board, or any 1 (One) other director giving notice of at least 15 (fifteen) days in writing to the company secretary of the Company, as the case may be, specifying the date, time and detailed agenda for such meeting along with all the supporting documents necessary to take an informed decision on the agenda matters. The company secretary shall upon receipt of such notice give a copy of such notice of such meeting to all directors, accompanied by a written agenda specifying the business of such meeting and copies of all papers relevant for such meeting. It is clarified that no matter including Reserved Item shall be taken up at a meeting of the Board unless such matter or Reserved Item was included in the agenda so circulated. The Company shall ensure that sufficient information is included in such notice to the directors to enable each director to make a decision on the issue in question at such meeting. Prior written notice shall be given to each director (including the Investor Nominee Director) of any meeting of the Board in accordance with the Act, accompanied by the agenda for the meeting of the Board. The quorum for the meeting of the Board shall be in accordance with Article90 herein below.

89. Video Participation

Subject to the same being permitted by Applicable Law, meetings of Board may be held by video conferencing but the quorum and other requirements applicable to meetings of Board shall apply to such meetings as well. The directors may participate in these meetings of the Board through video conferencing or any other means of contemporaneous communication, provided each person taking part in the meeting is able to hear the other person participating and provided further that each director must acknowledge his presence for the purpose of the meeting and any director not doing so shall not be entitled to speak or vote at the meeting.

90. Quorum

(a) Subject to the terms of these Articles and the provisions of the Companies Act, the quorum for a meeting of the Board, duly convened and held, shall be one third of the total number of Directors or 2 (two) Directors, whichever shall be higher. Provided however the presence of at least 1 (one) Investor Nominee Director shall be required to constitute valid quorum of the meeting of the Board. Provided further that no business relating to a Reserved Item shall be transacted at any meeting of the Board, unless the Investor Nominee Director shall be present at the commencement of such meeting and throughout its proceedings.

(b) In the absence of a valid quorum at the meeting of the Board, duly convened, the meeting shall be adjourned to the same time and place not earlier than 7 seven) Business Days but no later than 30 Business Days thereafter as the Chairman may determine. The aforesaid quorum requirements shall also be applicable at such adjourned meetings of the board of directors. In the absence of a valid quorum at such adjourned meeting of the Board, the meeting shall be once again adjourned to the same time and place not earlier than 7 (seven) Business Days but no later than 15 (fifteen) Business Days thereafter as the Chairman may determine. Notwithstanding what is stated in Articles 90(a) and 90 (b), in the event the quorum is not present at the second adjourned meeting, the matter shall be passed by circulation amongst the Directors. The draft minutes of the meeting shall be circulated within 3 (three) days of such circulation.

(c) In the absence of the Investor Nominee Director at the meeting of the Board, duly convened, where a Reserved Item is being discussed the meeting shall be adjourned to a time and place in India, as determined by the Investor Nominee Director not earlier than 7 (seven) Business Days but no later than 30 (thirty) Business Days thereafter as the Chairman may determine. The first adjourned meeting shall be considered a valid meeting only if the time and place of the meeting is at the place as designated by the Investor Nominee Director and the notice of the meeting shall be considered a valid notice only if the notice states the time and place as the one designated by the Investor Nominee Director. In the absence of the Investor Nominee Director at the first adjourned meeting of the Board, where the Reserved Item is being discussed, the meeting shall once again be adjourned to a time and place in India, as determined by the Investor Nominee Director not earlier than 7 (seven) Business Days but no later than 15 (fifteen) Business Days thereafter as the Chairman may determine. The second adjourned meeting shall be considered a valid meeting only if the time and place of the meeting is at the place as designated by the Investor Nominee Director and the notice of the meeting shall be considered a valid notice only if the notice states the time and place as the one designated by the Investor Nominee Director. In the event the Investor Nominee Director is not present at the first meeting and the adjourned meeting of the Board, where a Reserved Item is being discussed, despite the first adjourned meeting taking place at the time and place designated by the Investor Nominee Director, then at the second adjourned meeting, with respect to the Reserved Item for which the first meeting and the first adjourned meetings were called, the same should be considered to have been voted for in the positive by the Investor in his absence. The draft minutes of the meeting shall be circulated within 3 (three) days of the meeting.

91. Voting

All resolutions at a Board Meeting shall be considered to have been passed if the same has been passed by a majority of Directors, except in case of the Reserved Items, in which case, the affirmative vote of the Investor Director shall be required. At any meeting of the board of directors of the Company, each Director may exercise 1 (one) vote. The adoption of any resolution of the board of directors of the Company by circular resolution shall require the votes of a majority of the directors, except in so far as Reserved Items are concerned, in which case, the affirmative vote of at least 1 (One) Investor Nominee Director shall also be required.

92. Expenses

The Company shall bear the costs of travel and lodging incurred by the Investor Nominee Director to attend meetings of the Board, as per the Company's policies in this regard.

SHAREHOLDERS MEETINGS

93. Compliance with the Companies Act and Memorandum and Articles of Association

All the meetings of the Shareholders shall be convened and conducted in accordance with the Act, the Memorandum of Association and Articles of Association of the Company and the provisions of these Articles.

94. General Meeting of Shareholders

The Company shall hold at least 1 (One) general meeting of the Shareholders to be called as "Annual General Meeting" in each Financial Year. All general meetings of the Shareholders shall be called as "General Meetings".

95. Notice of Shareholder Meetings

Prior written notice of at least 21 (Twenty One) Business Days for convening the General Meeting shall be given to all of the Shareholders. Subject to Applicable Law, a General Meeting may however be called by the Chairman on a shorter notice with the prior written consent of all the Shareholders. Every notice shall be accompanied by the agenda setting out the particular business proposed to be transacted at such meeting. No business shall be transacted at any General Meeting duly convened and held other than that specified in the notice without prior written unanimous consent of the Shareholders.

RESERVED ITEMS

96. Notwithstanding anything contrary contained in this Article, no action shall be taken by the Company at any General Meeting or at any meeting of the Board or committee thereof or by resolution by circulation or otherwise, with respect to any of the matters as set out below **("Reserved Item(s)")** without the prior written consent or the affirmative vote of the Investor Nominee Director or the representative of the Investor. The Reserved Items must be referred to the Board or the General Meeting, as the case may be, in writing and Shareholder, Director, officer, shall and the Company and Promoters shall ensure that no committee, committee member, employee, agent or any of their respective delegates shall take any actions purporting to commit the Company or in relation to any such Reserved Items without the prior approval of the Board or the General Meeting, as the case may be. It is clarified for the avoidance of doubt that none of the Reserved Items shall be delegated by the Board to any of its committees without the consent of the Investor.

(a) Any change in the rights and terms of any Securities held by the Investor and/or its Affiliates;

(b) Issue of any equity or quasi equity Shares or any other instrument convertible into equity or quasi equity Shares;

(c) Any action adversely affecting the rights and privileges of the Investor;

(d) Change of Control of the Company;

(e) Alteration in the dividend policy (beyond 20% (twenty percent) of the audited PAT of the Company) and redemption or buy back of Shares;

(f) Incurrence of any material indebtedness except in the ordinary course of business;

(g) Related Shareholder Transactions;

(h) Amendments to any stock option plans issuance of any ESOP instruments;

(i) Alteration in the number of Directors;

(j) Liquidation, recapitalisation and reorganisation of the Company;

(k) Demerger or merger of the Company;

(l) A public offering, except where the public offering is carried out by an Investment Bank;

(m) Change in the senior management (CEO, CFO, etc or equivalent) of the Company;

(n) Appointment or termination of the statutory auditors of the Company;

(o) Amendment to the Company's Memorandum and Articles of Association;

(p) Any acquisition by the Company of any other entity;

(q) Any acquisition of the Company by any other entity;

(r) Execution of any material agreements, or creation of a material lien or encumbrance on material assets of the Company, or make material capital expenditures except in the ordinary course of business.

(s) Make any material change to the Company's Business or enter into a new line of Business.

(t) Change in the ownership of trademarks in the Company.

(u) Any change in the authorised and paid up share capital of the Company.

(v) Commencement of any new business by the Promoters.

(w) Appointment and termination of internal auditors.

QUORUM

97. Quorum at the General Meeting shall comprise of at least 2 (two) Shareholders present in person or through a proxy, out of which, at least one should be a duly authorized representative of the Investor; and where a Reserved Item is to be transacted, such a General Meeting shall include at least 1 (one) duly authorised representative of the Investor present at the commencement of such meeting and throughout its proceedings. No business relating to a Reserved Item shall be transacted at any General Meeting of the Company, unless the representative of the Investor is present at the commencement of such General Meeting and throughout its proceedings.

98. In the absence of a valid quorum at a General Meeting, duly convened and held, the meeting shall be adjourned to the same time or place not earlier than 7 (seven) Business Days but no later than 30 (thirty) Business Days thereafter as the Chairman may determine. The aforesaid quorum requirement shall also be applicable at such adjourned General Meeting. In the absence of a valid quorum at such adjourned General Meeting, the meeting shall be adjourned to the same time and place not earlier than 7 (seven) Business Days but no later than 30 (thirty) Business Days thereafter as the Chairman may determine. The aforesaid quorum requirement shall also be applicable at such adjourned General Meeting. Notwithstanding what is stated in Articles 97 and 98in the event the quorum is not present at the second adjourned meeting, the Shareholders present shall constitute the quorum and for the purposes of the Reserved Items, the same should be considered to have been passed in the negative by the Investor in his absence.

99. In the absence of the Investor at the General Meeting, duly convened, where a Reserved Item is being discussed the meeting shall be adjourned to a time and place in India, as determined by the Investor not earlier than 7 (seven) Business Days but no later than 30 (thirty)Business Days thereafter. The first adjourned meeting shall be considered a valid meeting only if the time and place of the meeting is at the place as designated by the Investor and the notice of the meeting shall be considered a valid notice only if the notice states the time and place as the one designated by the Investor. In the absence of the Investor at the first adjourned General Meeting, where the Reserved Item is being discussed, the General Meeting shall once again be adjourned to a time and place in India, as determined by the Investor not earlier than 7 (seven) Business Days but no later than 30 (thirty) Business Days thereafter as the Chairman may determine. The second adjourned General Meeting shall be considered a valid meeting only if the time and place of the General Meeting is at the place as designated by the Investor and the notice of the General Meeting shall be considered a valid notice only if the notice states the time and place as the one designated by the Investor. In the event the Investor is not present at the first General Meeting and the second adjourned General Meeting, where a Reserved Item is being discussed, despite the first adjourned General Meeting taking place at the time and place designated by the Investor, then at the second adjourned General Meeting, with respect to the Reserved Item for which the first meeting and the first adjourned General Meetings were called, the same should be considered to have been passed in the positive by the Investor in his absence. The draft minutes of the General Meeting shall be circulated within 3 (three) days of the General Meeting.

100. Notwithstanding anything contained herein, no Reserved Items shall be discussed and no resolution shall be taken with respect to any Reserved Items in the Annual General Meeting of the Company without the presence of at least 1 (one) duly authorised representative of the Investor.

SHAREHOLDERS UNDERTAKINGS

101. The Shareholders agree that at any General Meeting duly convened, for the purpose of voting on any matter required to be transacted by the Shareholders thereat, they shall vote *pro rata* to its shareholding in the Company on a Fully Diluted Basis in accordance with these Articles.

102. The Shareholders hereby jointly and severally undertake to ensure that they, their representatives, proxies and agents representing them at General Meetings shall at all times exercise their votes in respect of the Equity Shares in such manner so as to comply with, and to fully and effectually implement, the provisions of these Articles.

COVENANTS OF THE COMPANY

103. This shall be governed by Clause 9 of the Agreement.

THE SEAL

104. The Board shall provide for the safe custody of the seal.The seal of the company shall not be affixed to any instrument except by theauthority of a resolution of the Board or of a committee of the Board authorised by it in thatbehalf, and except in the presence of at least two directors and of the secretary or such otherperson as the Board may appoint for the purpose; and those two directors and the secretaryor other person aforesaid shall sign every instrument to which the seal of the company is soaffixed in their presence.

DIVIDENDS AND RESERVE

105. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.Subject to the provisions of Section 123 of the Act, 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.

106. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.

107. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

108. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

109. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the Company.

110. Any dividend, interest or other monies payable in cash in respect of shares maybe paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

111. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.No dividend shall bear interest against the Company.

CONSEQUENCES OF MATERIAL BREACH

112. This shall be governed by Clause 15 of the Agreement.

CONFIDENTIALITY

113. The Shareholders undertake that they shall at all times keep confidential (and shall use best endeavours to procure that their respective employees and agents keep confidential) any Confidential Information which is in their possession or which they may acquire and shall not disclose such information except with the consent of every other Shareholder to this Article.

114. The obligations of each of the Shareholders are contained in this Article shall continue without limit in point of time, but shall cease to apply to (i) any Confidential Information coming into the public domain otherwise than by breach by any such its obligations therein contained; or (ii) required to be disclosed by an order of a court or under the Applicable Law.

NON COMPETE AND NON SOLICIT OBLIGATIONS

115. This shall be governed by Clause 20 of the Agreement.

PFIC COMMITMENT

116. The Company shall not be with respect to its taxable year during which the Closing Date occurs, a "passive foreign investment company" within the meaning of Section 1297 of the Internal Revenue Code of 1986, as amended (or any successor thereto). The Company shall use commercially reasonable efforts to avoid being a "passive foreign investment company" within the meaning of Section 1297 of the Internal Revenue Code of 1986, as amended (or any successor thereto). In connection with a "Qualified Electing Fund" election made by an Investor pursuant to Section 1295 of the Internal Revenue Code of 1986, as amended, or a "Protective Statement" filed by any of Investor's Partners pursuant to Treasury Regulation Section 1.1295-3, as amended (or any successor thereto), the Company shall provide annual financial information to the Investor in the form provided in Annexure 6 of the Agreement (or in such other form as may be required to reflect changes in Applicable Law) as soon as reasonably practicable following the end of each taxable year of the Company (but in no event later than 60 (sixty) days following the end of each such taxable year), and shall provide the Investor with access to such other Company information as may be required for purposes of filing United States federal income tax returns of the Investor's Partners in connection with such "Qualified Electing Fund" election or "Protective Statement". In the event that Investor's Partner who has made a "Qualified Electing Fund" election must include in its gross income for a particular taxable year its pro rata share of the Company's earnings and profits pursuant to Section 1293 of the United States Internal Code of 1986, as amended (or any successor thereto), the Company agrees, subject to Applicable Law, to make a dividend distribution to Investor (no later than 60 (sixty) days following the end of the Investor's taxable year or, if later, 60 (sixty) days after the Company is informed by Investor that its Partner has been required to recognize such an income inclusion) in an amount equal to 50% (fifty per cent) of the amount that would be included by the Investor if the Investor were a "United States person" as such term is defined in Section 7701(a)(30) of the U.S. Internal Revenue Code and had the Investor made a valid and timely "Qualified Electing Fund" election which was applicable to such taxable year.

117. The Company shall take such actions, including making an election to be treated as a corporation or refraining from making an election to be treated as a partnership, as may be required to ensure that at all times the company is treated as corporation for United States federal income tax purposes.

118. The Company shall make due inquiry with its tax advisors (and shall co-operate with Investor's tax advisors with respect to such inquiry) on at least an annual basis regarding whether Investor's or any Investor's Partners direct or indirect interest in the Company is subject to the reporting requirements of either or both of Sections 6038 and 6038B of the Code (and the Company shall duly inform the Investor of the results of such determination), and in the event that the Investor's or any of the Investor's Partners direct or indirect interest in Company is determined by the Company's tax advisors or Investor's tax advisors to be subject to the reporting requirements of either or both of Sections 6038 and 6038B Company agrees, upon a request from the Investor, to provide such information to the Investor may be necessary to fulfill the Investor's or Investor's Partners obligations thereunder.

119. For purposes of the Article, the term "Investor's Partners" shall mean each of the Investor's partners and any direct or indirect equity owners of such partners; and (b) "Company" shall mean the Company and any of its subsidiaries, if any.

120. Foreign Corrupt Practices: The Company represents that it shall not and shall not permit any of its Affiliates or any of its or their respective directors, officers, managers, employees, independent contractors, representatives or agents to promise, authorize or make any payment to, or otherwise contribute any item of value to, directly or indirectly, any official, in each case, in violation of the Foreign Corrupt Practices Act, 1977 ("FCPA"), the U.K. Bribery Act or Prevention of Corruption Act, 1988 ("PCA") or any other applicable anti-bribery or anti- corruption law. The Company further represents that it shall cease all of its activities, as well as remedy any actions taken by the Company or Affiliates, or any of their respective directors, officers, managers, employees, independent contractors, representative or agents in violation of the FCPA, the U.K. Bribery Act or the PCA or any other applicable anti-bribery or anti-corruption law. The Company further represents that it shall and shall cause each of its Affiliates to maintain systems of internal controls (including, but not limited to, accounting systems, purchasing systems and billing systems) to ensure compliance with the FCPA, the U.K. Bribery Act or the PCA or any other applicable anti-bribery or anti- corruption law.

ACCOUNTS

121. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being directors.

122. No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the Company in general meeting.

WINDING UP

123. If the Company shall be wound up, whether voluntarily or otherwise the liquidator may with the sanction of special resolution or any other sanction required by the Act, divide amongst the members in specie or kind any part of the assets of the Company in trustees upon such trust for the benefit of the members or any of them as the liquidator with the like sanction, shall think it.

INDEMNITY

124. Subject to relevant provisions of the Act, every office or agent for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 463 of the Act in which relief is granted to him by the court.

ASSIGNMENT

125. Neither the Agreement nor any rights, benefits or obligations under the Agreement shall be assignable by the Promoter, the Other Shareholders or the Company without the prior written consent of the Investor. The Investor shall have an unfettered right to assign some or all of its rights, benefits and obligations under the Agreement and may, without the consent of any of the other Parties, assign some or all of their rights and obligations under the Agreement (including, without limitation, the right to subscribe to any Investor Securities in accordance with the Agreement) to any of its Affiliates or to any Third Party. Notwithstanding anything in this Article, rights, benefits and obligations shall be assignable to a transferee of the Shares as long as such transfer is made in accordance with Articles 33 to 52 and Articles63-74. It is hereby clarified that any particular contractual right or benefit available to any Party under this Agreement can be assigned only to a single Third Party and not to multiple Third Parties resulting in multiplicity of rights. For example, if a Party to the Agreement has 10 (ten) rights contractually agreed upon under this Agreement, such Party shall be permitted to assign some or all the rights to any 1 (one) or multiple Third Parties, but no single right out of those 10 (ten) rights shall be assigned to more than a single Third Party. Any right or benefit available to any Shareholder under the Agreement by virtue of being a shareholder under Applicable Laws can be assigned only to multiple Third Parties in the proportion as is permitted under the Applicable Laws.

SECRECY

126. Every Director, Manager, Auditor, Treasurer, Trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the affairs of the accounts with individual and in the matters thereto, and shall by such declaration pledge himself except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

SECTION IX –OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office and Corporate Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date (except for such agreements executed after the Bid/Issue Closing Date).

A. Material Contracts for the Issue

1. Issue Agreement dated August 20, 2018, executed amongst our Company and the BRLMs.
2. Registrar Agreement dated August 14, 2018, executed amongst our Company and the Registrar to the Issue.
3. Escrow Agreement dated [●] executed amongst our Company, the Registrar to the Issue, the BRLMs, the Syndicate Members and Bankers to the Issue.
4. Syndicate Agreement dated [●] executed amongst our Company, the BRLMs and the Syndicate Members.
5. Underwriting Agreement dated [●] executed amongst our Company and the Underwriters.

B. Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company as amended from time to time.
2. Certificate of incorporation dated August 22, 1994 issued by the RoC to our Company in our former name, being Senco Gold Private Limited.
3. Fresh certificate of incorporation dated August 31, 2007 issued by the RoC to our Company, consequent upon conversion to a public company in the name of Senco Gold Limited.
4. Resolution of the Board of Directors dated July 23, 2018 in relation to the Issue and other related matters.
5. Shareholders' resolution dated July 23, 2018 in relation to this Issue and other related matters.
6. Resolution of the Board dated July 23, 2018 and IPO Committee dated August 20, 2018, approving the Draft Red Herring Prospectus.
7. The examination reports, each dated August 6, 2018, of the Statutory Auditors, on our Company's Restated Standalone Financial Information and Restated Consolidated Financial Information.
8. Copies of the audited financial statements of our Company for the Financial Years 2014, 2015, 2016, 2017 and 2018 and consolidated audited financial statements for Fiscals 2014 and 2015.
9. Consent from the Statutory Auditor namely, BSR & Co. LLP, Chartered Accountants, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "Expert" as defined under Section 2(38) of the Companies Act, 2013, in respect of the reports of the Statutory Auditors on the Restated Financial Information, each dated August 6, 2018 and the statement of tax benefits dated August 20, 2018, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of

this Draft Red Herring Prospectus.

10. Consent of our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, our Statutory Auditor, Legal Counsel to our Company, Legal Counsel to the BRLMs, bankers to our Company, the BRLMs, the Syndicate Members, Escrow Collection Bank(s), Bankers to the Issue, the Registrar to the Issue, Monitoring Agency, as referred to, in their specific capacities.

11. Due Diligence Certificate dated August 20, 2018 addressed to SEBI from the BRLMs.

12. Consent from CRISIL Research, dated May 31, 2018 in relation to the industry report titled "CRISIL Research – Assessment of the Gems and Jewellery Industry in India, May 2018".

13. In principle listing approvals dated [●] and [●] issued by BSE and NSE respectively.

14. Copy of scheme of arrangement for amalgamation which was approved by the High Court of Calcutta by an order dated May 15, 2014, amalgamating Senco Gold Impex Private Limited with our Company.

15. Copy of scheme of arrangement for amalgamation which was approved by the High Court of Calcutta by an order dated June 14, 2016, amalgamating Addyashakti Properties Private Limited with our Company.

16. Employment agreement dated February 1, 2017 in respect of the employment of Sankar Sen as the Chairman and Managing Director of the Company.

17. Employment agreement dated February 25, 2016 in respect of the employment of Suvankar Sen as the Executive Director of the Company.

18. Copy of agreement dated April 15, 2006, entered into between Sankar Sen (in his capacity as sole proprietor of Senco Gold Museum) and our Company.

19. Copy of agreement dated April 15, 2006, entered into between Ranjana Sen (in her capacity as sole proprietor of Senco Gold Mart) and our Company.

20. Copy of shareholders' agreement dated September 26, 2014 and amended on August 20, 2018 entered amongst our Company, Sankar Sen, Suvankar Sen, Ranjana Sen, Arpita Day, Tapashi Mullick, Anjana Dutta, Susmita Das and SAIF Partners.

21. Copy of subscription agreement dated September 26, 2014 entered amongst our Company, Sankar Sen, Suvankar Sen, Ranjana Sen, Arpita Day, Tapashi Mullick, Anjana Dutta, Susmita Das and SAIF Partners.

22. Tripartite agreement dated January 30, 2017 between our Company, NSDL and the Registrar to the Issue.

23. Tripartite agreement dated April 4, 2018 between our Company, CDSL and the Registrar to the Issue.

24. SEBI observation letter dated [●].

25. Certified copies of board resolutions dated December 2, 2016 and February 25, 2016 for appointment of Sankar Sen and Suvankar Sen, respectively.

26. Certified copies of shareholders' resolution dated January 6, 2017 and February 25, 2016 for appointment of Sankar Sen and Suvankar Sen, respectively.

27. ESOP Scheme 2018 approved by shareholders of our Company on May 24, 2018.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders subject to compliance 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 GoI, or the regulations or guidelines issued by SEBI, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules or regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY

(Sankar Sen) **(Chairman and Managing Director)**	**(Suvankar Sen)** **(Executive Director)**
(Vivek Kumar Mathur) **(Non-Executive Director (Nominee of SAIF Partners))**	**(Suman Varma)** **(Independent Director)**
(Kumar Shankar Datta) **(Independent Director)**	**(Hanuman Mal Choraria)** **(Independent Director)**

AND

BY THE CHIEF FINANCIAL OFFICER

(Vikram Nagpal)
(Chief Financial Officer)

Place: Kolkata

Date: August 20, 2018